THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

June 8, 1940

U.S. Tightens the Embargo on Japan

An Editorial

Hongkong and the War

BY JOHN AHLERS

The Allied Military Disaster

Kagawa—Japanese Leader

BY CHESTER S. HOLCOMBE

Japanese Defend Chungking Air Raids; Accuse Missionaries of Meddling

VOLUME 93 PRICE 50 CENTS (in China) NUMBER 2

HONGKONG SHANGHAI TIENTSIN

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NEW YORK BUFFALO LONDON

What People Are Saying

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of *The China Weekly Review*.

NANKING FARCE

To the Editor:

In order to solve the so-called China Incident, we are not surprised that the Japanese militarists wanted to establish the No. 1 puppet regime in Nanking and make the treacherous Wang Ching-wei the head of it as a powerful instrument against the rights and interests of third powers in the Far East. Wang and his masters may fool some of our Western friends, but they can never fool all the people of China. The establishment of the Nanking puppet government is merely a farce. It is impossible for the leading player Wang Ching-wei to put up a good performance for his audience, since he is destined, by his treacherous action, to exist under Japanese swords.

Japan's political and economic weaknesses will no doubt lead her to her final defeat. The inauguration of the Nanking puppet regime is but a last scene of Japan's tragedy performed in China, and the treacherous Wang and his henchmen are destined to tread the same path as Macbeth. The downfall of the Japanese militaristic government will not only be beneficial to China but to the peace of Asia as well. Let all our peace-loving friends not lose sight of this.

S. K. CHU

Lo Chung Hotel, Kweiyang,
May 4, 1940

LIN YUTANG'S RETURN

To the Editor:

I am in a state of great sensation when I learn that Dr. Lin Yutang, brilliant Chinese author, and his family, arrived in Chungking safe and sound to wait China winning the laurels of the war, after a long sojourn in America.

Through Dr. Lin's humorous pen, pregnant mind and pellucid style of English, can the psychology of contempt of things Chinese committing by most foreigners be erased. He has raised the status of China among the family of nations by introducing Chinese philosophy of life to the West. He has sowed the seeds of Chinese culture in the soil of western countries. Up to date, in lots of westerners' blood is flowing the wisdom of Chinese splendid civilization in consequence of Dr. Lin's indirect inoculation.

He bravely confesses that in past he misunderstood Gen. Chiang Kai-shek on some points, and surrenders something of himself for the good of the whole country. He abandons the comfortable life of New York and comes to Chungking, where is haunted by Japanese bombers. Though his knowledge of English surpasses his knowledge of Chinese, yet he is a Chinese at heart. A great patriot indeed.

CHENG CHI-CHUNG

Shanghai, May 25, 1940

MORAL REARMAMENT

To the Editor:

There is every indication that the whole world is upside down. The wild fire started in the Far East is creeping toward the West. The only way to check it is to morally rearm. In Shanghai the wealthy are indulging in currency speculation. There is hoarding and price manipulation. A deaf ear is turned to the cries of the poor. Moral rearmament is therefore imperative for every man.

P.H.A.W.

Shanghai, June 1, 1940

RUSSIAN ENIGMA

To the Editor:

Dear Sir,

I read with interest F.M.R.'s review of Leonard Woolf's book in the current issue of the **Review**. The U.S.S.R. has long been to me, as to not a few Chinese youths, a great enigma. People argue so heatedly over Russia that one finds it really difficult to say which side is right. I have recently finished William Henry Chamberlin's **A False Utopia** and Eugene Lyons' **Assignment in Utopia** and concur largely with both authors. I should like, however, to find a more detailed, careful and dispassionate appraisal of Soviet Russia, one that takes into full consideration both sides of the picture. Could you help me with suggestions?

LIM WU-KOW

Shanghai, May 30, 1940

Editor's Note:—Any suggestions which readers may send in will be forwarded to Mr. Lim Wu-kow.

MORE IMPORTANT

To the Editor

It has seemed to me that **The China Weekly Review** has tended to take a more and more important place in the last two years. I used to read the paper fairly carefully before, but I read it even more carefully now. It's a great little magazine and has all my best wishes.

FOOCHOW

May 15, 1940

THE CHINA WEEKLY REVIEW

Cable Address "REVIEWING SHANGHAI"

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WIDELY READ

To the Editor

Please renew the subscription for **The China Weekly Review** which you are sending to my mother in the United States. She enjoys the paper greatly and when she finishes with it, she sends it on to the Masonic Library. The librarian of the Lodge tells her that it is widely read. I also read it here and find it most interesting and instructive.

A. F.

Chekiang, May 14, 1940.

Summer Colds!

Not so easy to shake off—these summer colds—unless you tackle them at once. The thing to do at the first signs of a cold is to cleanse the intestinal tract, for which purpose there is nothing better than Pinkettes. Mild yet sure in effect, these laxative pilules dispel constipation, aid digestion, relieve the stuffiness brought on by a cold.

Pinkettes are equally good for the correction of biliousness, liverishness, flatulence, pimply skin, bad breath and for the relief of piles. At all chemists.

PINKETTES

Keep you well.

NATIONAL CITY BANK OF NEW YORK

Rates of Exchange, Shanghai, June 5, 1940

Demand selling rate on New York: U.S.$1.00—Sh.$19.27

Demand buying rate on New York: U.S.$1.00—Sh.$18.60

Demand selling rate on London: £1.0.0—Sh.$64.00

Demand buying rate on London: £1.0.0—Sh.$59.53

AMERICAN STOCK AND COMMODITY QUOTATIONS

June 5, 1940

STOCKS

Amer. Locomotive	11¼
Amer. Waterworks	6¼
Anaconda Copper	20¼
Bethlehem Steel	68
Chrysler	55⅝
Elec. Bond & Sh.	4
Gen. Motors	39⅛
Goodyear T. & R.	13¾
Gt. Nthrn. Rly., pfd.	17¾
Lockheed Aircraft	27⅞
Mont. Ward	33½
N. Y. Central	9¾
Texas Corp	34
U. S. Steel	44¾

COMMODITIES

New York Cotton, July	9.80/80
New York Rubber, July	20.85/85
New York Hides, June	9.38 Nom.
Chicago Wheat, July	79⅜/79½
Chicago Corn, July	61½/62
New York Sugar, No. 4, Sept.	1.17½B/18A

B—Bid. A—Asked.

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THE CHINA WEEKLY REVIEW
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U. S. TIGHTENS EMBARGO ON JAPAN —FOR CHUNGKING BOMBING?

THE United States Government, on June 3, notified Japan that orders had been issued prohibiting the exportation (to all foreign countries) of certain materials which are now found to be necessary for the development of America's defense program. The list includes machinery, engineering tools and accessories, airplanes, airplane parts, motors, zinc, rubber, iron, manganese, scrap-iron and chromium.

"The Moral embargo" list, announced last January, included airplanes for military use, all equipment and technical information necessary for the production of high grade gasoline of the kind required for high-speed military planes; aluminum and molybdenum, two metals necessary for the construction of airplanes.

According to *Domei* the report of the American action, communicated to the Japanese Ambassador in Washington on June 3, "would receive serious attention in Japan since it represents an American embargo on Japan-bound commodities far more comprehensive than the articles included in the existing moral-embargo . . . the Foreign Office is taking a serious view and it was thought likely that definite views on the situation would be formulated soon . . . some quarters suggested retaliatory action . . ."

The Tokyo report stated that aside from Japan, the new order would also hit Germany and Italy and all other countries, "But it was believed inevitable that special consideration would be given to Britain and France."

That China also will receive special consideration is obvious in the light of American policy toward the Chinese National Government and the Chinese people since the beginning of the Japanese invasion of this country through Manchuria in the fall of 1931. Although there has been no official confirmation, it is felt that the Japanese air-raids on Chungking beginning May 26, fashioned in the Nazi "blitzkreig" manner and seemingly conducted with the object of coordinating Japanese activities here with Nazi activities in Belgium and northern France may have speeded up the American decision to place restrictions on the export of war materials to Japan.

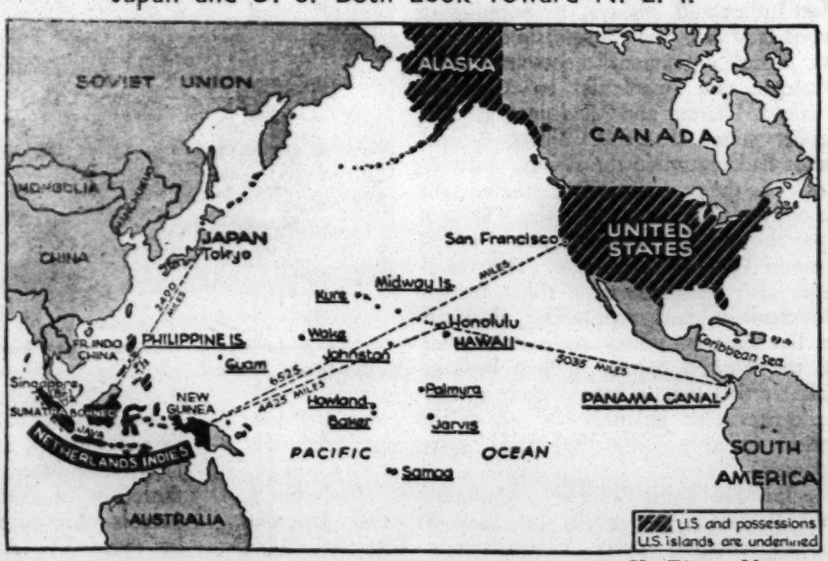
The first indication of an intention to curtail export of aviation equipment, machinery and munitions required for the U. S. defense program was on May 27 (day following the first Japanese mass bombardment) when an amendment to the military defense bill, giving the Government power to take this action, was adopted.

According to private advices from Washington early in May there were definite indications that the United States did not intend to send Japan any further notes but was determined to take action—not with the object of picking a fight—but of preventing one! Public opinion throughout the country was convinced that the time had arrived for taking economic measures against Japan, which, if disregarded by the Nipponese, would cause the already strained economy of the country to crack under the strain.

While the present gigantic U.S. re-armament program was precipitated by the expansion of the war in Europe, there were other considerations in the Far East with which the country has been contending since 1937. Secretary Hull's declaration on the question of the Netherlands Indies was equivalent to serving notice that any attempt by Japan to extend her "protection" in that direction would be resisted by the U.S. Navy.

The latest refusal of the Japanese to supply information regarding their naval construction has confirmed U. S. naval experts in the belief—based upon a survey of Japan's imports—that Japan is building new war craft so rapidly that her naval strength might, under normal conditions, pass that of the United States in three years. While Japanese naval ship construction is inferior to that of the U. S., the ships which Japan is building probably will serve her purpose. Japanese construction costs are lower because the country is not handicapped by Wagner Acts, Wage-Hour Acts, Walsh-Healy Acts, or labor union restrictions of any kind. Japanese vessels are built in secret by workmen who live behind barricades practically under "forced" conditions and any man violating the secrecy regulations probably would be shot.

Japan and U. S. Both Look Toward N. E. I.



N. Y. Times Map

WOULD JAPAN MOVE ON HONGKONG— OR FRENCH INDO-CHINA?

Strenuous efforts which have been made in recent weeks to re-constitute the Rome-Tokyo-Berlin Axis, with the possible inclusion of the Soviet Union, have also caused suspicion that the Japanese military clique might decide upon an outright declaration of war on China as a means of legalizing her position with regard

to a blockade of the Asiatic coast from Vladivostok to Siam. There has also been a feeling in certain quarters that the Japanese would launch a "blitzkreig" attack on Hongkong and Hanoi, with the object of eliminating at one blow these two sole remaining outposts of European power on the coast of East Asia. The Japanese General Staff is convinced that this might put the finishing touches to Chungking resistence. In some quarters it is thought that a Japanese attack on Hongkong and Hanoi are more likely than a move against the Netherlands Indies, the chief reason for this belief being that Japan already has these ports enveloped in such manner that a combined sea, land and air attack might prove irresistible, whereas a drive on the East Indies would require a larger land and naval force than Japan could spare from her China war at this particular time. In an attack on Hongkong and Indo-China the Japanese think they could use their present army and naval forces without greatly disturbing their set-up in China.

On June 1, Dr. Quo Tai-chi, Chinese Ambassador in London called on R. A. Bulter, Under-Secretary of State for Foreign Affairs and expressed China's deep concern regarding recurrent negotiations for an Anglo-Japanese trade agreement. In reply to an inquiry by the *United Press* correspondent in London, the British spokesman denied that British was planning to provide supplies of oil to Japan, an allotment of rubber and tin from the East Indies and Malaya, or supplies of wool from Empire sources, in exchange for Japan's agreement to cease exporting strategic raw materials to Germany through Dairen and Vladivostok. The report stated that the Chinese Ambassador had reminded the British authorities of their obligations under the resolution adopted by the League Powers to do nothing that would weaken Chinese resistance. The message also recalled that the British Government had repeatedly declared its Far Eastern policy to parallel that of the United States, hence it was unlikely that Britain would make a new trade pact with Japan in the face of the recent American action in abrogating its trade agreement with that country.

Dr. Hu Shih, Chinese Ambassador in Washington, told President Roosevelt, on May 31, that Japanese reports alleging peace conversations between China and Japan were "nonsense." Dr. Hu declared that "China is one of three nations that is fighting aggression. . . . The world appreciates that China is fighting against aggression. To realize the importance of China's position in the present world struggle, it is only necessary to imagine the important position which Japan would occupy, were she free on land and sea instead of being bogged down in China . . Japan would occupy a position of greater significance even than Italy on land and sea. . . . China will continue to fight until we find a successful end to the present war."

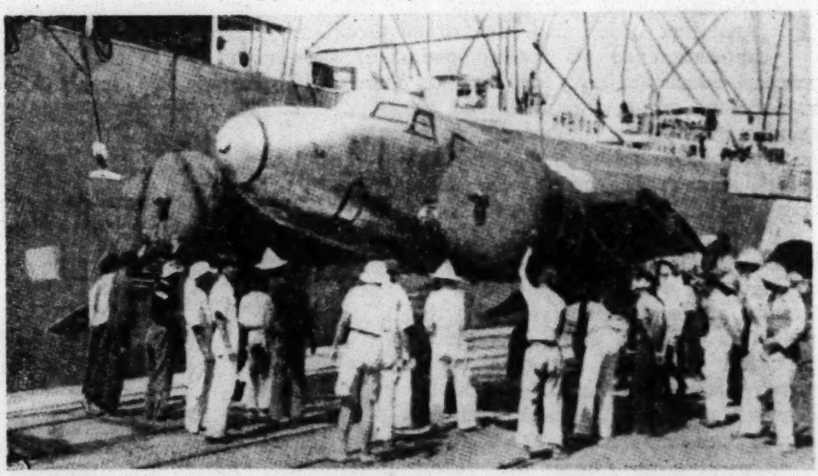
Paul Vories McNutt, former High Commissioner to the Philippines and now a potent candidate for the Presidency on the Democratic ticket, stated on May 31 that the United States was now fully aware of the dangers it would face should Germany prove the victor in the European struggle ". . But during the next few weeks or perhaps days, the U. S. may be called upon to take decisions of vital importance for the future . . . Should the Japanese make any move toward the Netherland Indies, we would be faced with a serious problem. . . . We would have to ask ourselves whether we would withdraw forever from Far Eastern affairs, abandon our obligations to the Philippines and our voice in Far Eastern problems . . We will not allow an eventual enemy to set down the conditions of warfare . . . We will decide these conditions ourselves . . . We will build up air, military and naval defences more powerful than any seen in the world."

What line of action Japan may ultimately decide upon is still shrouded in mystery as the Japanese political and military factions are now involved in serious domestic political controversies. Hachiro Arita, Foreign Minister, issued a warning to all Japanese diplomats to "stand ready to act in concert with any measures that Japan may find it necessary to take in the rapidly changing international situation." Arita allegedly (*Miyako* report) thought that the European war might come to an end sooner than was generally expected, in which event the Japanese apparently feared that victors and vanquished might suddenly decide to turn their attention to the Far East, possibly somewhat as occurred at the Washington Conference, following the first World War. Arita was quoted as stating that "liquidation might be expected in the autumn, even if the United States refrained from large scale interference in the Far East . . Japan may therefore be faced by a grave situation in which the success or failure of the New Order in East Asia will be decided." Arita allegedly told Japanese diplomats that the ever-changing international situation made it necessary for Japan to speedily dispose of the China Incident and be prepared to "take measures to meet the occasion, hence Japanese diplomats should be in readiness for these measures . . Whether Japan's fundamental policy of non-involvment in the European War could help materially in the accomplishment of Japan's program of autonomy in East Asia. . depended entirely upon the resourcefulness of Japanese diplomats abroad."

According to the French *Havas* service, Arita's instructions were interpreted as a determination to dispose energetically of the China Incident in order to have a free hand for carrying out Japan's world policy at the termination of the European War.

Referring to Japan's inability to "settle" the China Incident, the Chinese newspaper *Chung Mei Jih Pao* said that Foreign Minister Arita had dispatched a circular order to all Japanese diplomats abroad instructing them to adopt appropriate measures "to cope with the imminent national crisis in Japan which will come when the European War is concluded and various world problems will come up for settlement—possibly in the autumn of

U. S. Planes for N. E. I.



N. Y. Times Photo

An American passenger plane being unloaded at the port of Sourabaya, Netherlands Indies.

this year." The Chinese paper said that a crisis in Japan is inevitable because the initiative in the Sino-Japanese struggle had passed from Japan's hands and now rests with China and since China is determined to achieve the ultimate victory Japan will be forced to continue hostilities "until the Japanese Army collapses entirely." Referring to the international situation the Chinese editorial said that Japanese aggression had horrified the entire world and had caused various Western nations, particularly United States, Soviet Russia, Great Britain and France, to extend assistance to China.

⁂

The Naval Appropriations Sub-Committee of the Senate approved the addition of US$478,000,000 to the Navy supply bill to provide for an increase of 25,000 men in the Navy's enlisted personnel. The total funds now being made available to the Navy for expanded defense program amounts to US$1,484,000,000 as compared with US$1,823,000,000 for the Army. The Navy's enlisted strength will be raised from 145,000 to 170,000. The Naval Air Force will be increased to 10,000 planes with 16,000 pilots. The sum of US$ 144,000,000 will be expended on naval air bases. The Army's personnel will be increased from the present 227,000 to 280,000. According to *United Press* the controversial issue over the development of an aviation and submarine "listening post" at Guam apparently had been settled by giving President Roosevelt "a blank check" for US$132,000,000 to speed up defenses. The report said that President Roosevelt might heed the Navy's urgent appeal for immediate development of Guam. The report also stated that Congress was studying the problem of acquiring new Pacific bases, particularly on Christmas, Fanning and other islands of the Phoenix Group, through negotiations with Great Britain. The Navy Department dispatched the cruiser Pensacola to Guam on May 31.

According to *United Press* message from Honolulu, Squadron VP26 of the Navy's "flying destroyers," would shortly take off from Hawaii for the Philippines for patrol duty. The personnel of Squadron VP26 would then fly the VP26 planes back to Honolulu for overhaul. Lieutenant-Commander S. H. Ingersoll will command the Squadron VP26 on the Manila flight. The airplane tenders, Wright, Childs and Swan, the cruisers Pensacola and Salt Lake City and two destroyers, will serve as guard ships during the flight between Honolulu and Manila and the return flight of the squadron of planes which have been in service in the Philippines for several months.

⁂

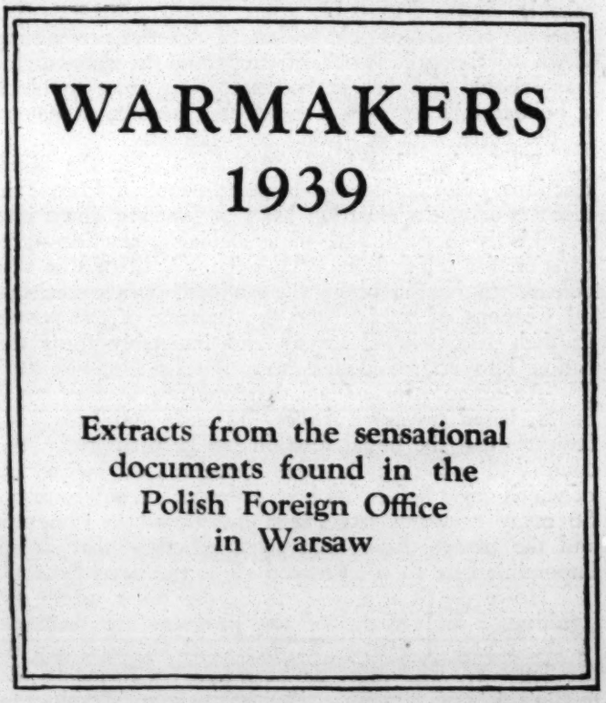
Owing to the possibility of Italy entering the war shortly, the Japanese Foreign Minister, Hachiro Arita, was said (German *Transocean* report) to have informed the Cabinet that he was determined to do everything necessary to prevent the European War from spreading to the Far East. Quoting the *Asahi Shimbun*, the report stated that Italy, as well as Britain, France and the United States, had troops stationed at Peiping, Tientsin, Hankow and Shanghai. The report alleged that in recent months there had been clashes between the Italian and French troops in some of the Chinese ports.

⁂

The French *Havas* agency reported from New York that the action of the United States Rubber Company in paying its regular quarterly dividend of US$2 a share, somewhat earlier than the usual date, "was taken to reflect the confidence of the Company that there would be no early disturbance in the Far East that would endanger the Company's US$22,000,000 investment in rubber plantations in Malaya and the Netherlands East Indies, two-thirds of which were located on the Island of Sumatra."

High Commissioner, Francis B. Sayre, of the Philippine Commonwealth, has made representations to the State Department on behalf of business interests in the Philippines urging revival of the much-discussed project of establishing an airline between Manila and the Netherlands East Indies. The project has been agitated on various occasions since 1932 but has been postponed each time because of international complications, chiefly with the Japanese. According to unofficial report at Manila late in April, prior to Commissioner Sayre's trip to Japan, the Japanese maintained they have equal rights with all other nations in the establishment of new air routes in the Far East. Therefore, if the United States sanctioned the new Manila-Sourabaya airline, the Japanese insisted they had the right to establish an airline between Japan and Manila and between the Japanese "colony" at Davao on southern Mindanao and the Japanese Mandated Islands in the southern Pacific. The Japanese also might demand the right to fly to the Netherlands Indies, with stop-over privileges in the Philippines. The new proposal for establishing an American airline from Manila to the Netherlands Indies aroused special interest in Manila and elsewhere because of the new situation in the N.E.I. created by the German occupation of Holland.

Nazi Propaganda in Shanghai



Above is a reproduction of the front cover of a 30-page propaganda booklet recently circulated in Shanghai by the local Nazi organization. On the inside of the cover appeared this statement, "An English edition of the German White Book containing the verbatim text and photo copies of these documents will shortly be at hand in Tokyo." This statement indicated that the Nazi propaganda headquarters in the Far East probably is located in Tokyo where propaganda books and leaflets are received directly from Berlin by way of the Trans-Siberian Railway. Shanghai's "allotment" is then brought here and distributed locally as the envelopes contain Chinese stamps. Copies of the larger book, consisting of some 40 pages, also printed in Berlin, have been distributed in Shanghai. This book, containing the alleged Polish documents bearing on the origin of the war, is marked "First Series." A third book, dealing with the Polish campaign, which contains som 60 pages and a map, also has been circulated here.

It was reported in Shanghai this week that the Nazi propaganda organization here would shortly "go on the air" from a new radio station located in the grounds of the German "Center" on Great Western Road, near the Country Hospital. The German radio, according to report, will be the most powerful here. Programs will include "Lord He-Haw," who now broadcasts over a Japanese-controlled Chinese station.

America Moves to Block Hitler's Plan for World Conquest

Hitler's program of world conquest, already exemplified in the snuffing out of the independence of ten European countries and his intrigue with other nations, particularly Japan, Italy and the Soviet Union which threatens to involve all continents and peoples in war, has finally stirred the American people to a determination to block the ambitious Nazi scheme.

Although isolationist sentiment and a determination not to become involved in another world military conflict still exert powerful influence over the minds of America's millions, forces have been set in motion by the frightfulness of the Nazi "blitzkreig" type of totalitarian warfare that will—inevitably—cause the United States to throw the tremendous weight of its financial, economic and industrial as well as its man-power and technical genius athwart the path of the German military machine.

The shock of the sudden expansion of the war and a realization of its frightefulness, far beyond the ability of the average human mind to grasp, has had its natural result in precipitating a condition of hysteria on the part of large numbers of people. But there are unmistakable signs—discernable even at this distance—that the sane and responsible leaders of America are settling down to the grim work of preparing the country for war—should that become necessary—in order to block a politico-military system which has become a menace to the peace and well-being of mankind.

While there has been much hysteria in the initial reactions of Americans to developments in Europe in recent weeks, the situation has now settling down into a perfectly normal and understandable reaction—preparation for self-defence. That the weight of this vast defense program, involving the production of the mechanical weapons of warfare and the training of the people in their use, will ultimately and inevitably force the nation into active conflict now appears obvious.

An examination of late developments in the United States, based on news reports by radio and broadcast, indicates that the initial reaction has been to cause the country to embark on a defense program, the magnitude of which never before has been attempted in any country. So many measures have been introduced in Congress and the reports have been so conflicting that it is impossible here to comprehend all of the developments.

However, there appears to be one place where the significance and extent of the program are realized: in the office of Henry W. Morgenthou, Secretary of the Treasury, who must devise means for financing the nation's defense program. A message from Washington (*Havas*) on May 28 stated that it would be necessary to raise the limit of the national debt from US$45,000,000,000 to US$49,900,000,000 in order to offset defence expenditures. It was stated that it would be necessary to levy taxes on the American people for the next five years amounting to US$5,000,000,000 in order to meet the cost of the defence program. Bonds to this amount will be issued shortly, according to decision of the Secretary of the Treasury and the Chairmen of the House and Senate Finance Committees. Interest on these bonds will necessitate the assessment of taxes calculated to bring in from US$600,000,000 to US$700,000,000 annually, according to the report. This, at least, should convince the skeptics that the country means business.

The Germans, who are watching the situation closely, for obvious reasons, reported through their *Transocean* news service on June 1 that Secretary of the Treasury Morgenthou had requested the House Ways and Means Committee to speed up plans for new defence taxes in order to cover the new defence budget requested by President Roosevelt, which, for the year 1940 will reach the stupendous sum of US$3,703,000,000.

Aside from the financial angle, chief interest is centered on plans for production of war equipment for which these vast expenditures are necessary. Several days ago Henry Ford, the motor car magnate, who once embarked on the manufacture of airplanes, but gave it up, announced that "barring governmental red tape, my factories can turn out 1,000 planes daily." The *U.P.* message stated that Ford plants now employ 100,000 persons and produce more autmobiles annually than any other plant.

Could Be a Lot Worse

Richmond Times-Dispatch

It was therefore significant that Edsel Ford, son of Henry Ford, held a conference with Secretary of the Treasury Morgenthou (June 3) in which they discussed methods of speeding up airplane production "in the interests of the United States and the Allied cause." A number of other industrialists also attended the conference and the immediate result was an agreement to study various types of air engines in order to find out which one is best suited for mass production.

The President announced on June 1 that a Civilian National Defence Commission, consisting of seven coordinators had been organized and was ready to undertake an experiment in "democratic" short-cuts to apply America's genius for mass production to fighting planes, heavy guns, tanks and other instruments of death. The President also stated that he was delegating major powers

to two industrialists of proven ability, William S. Knudsen, president of General Motors Corporation, and Edward R. Stettinius, Jr. of U.S. Steel Corporation. The President stated, however, that he intended "to retain the guide reins firmly in his own hands."

The chief object, evident in all the reports, is to speed up delivery of war materials to the Allies in Europe, it being realized that the main weakness of the Allies is in war materials. A dispatch from Washington on May 31 stated that Britain and France had ordered US$ 250,000,000 worth of planes in the last ten days of May. Since Jan. 1 the Allies had ordered 7,000 war planes, of which some 2,000 had been delivered. Deliveries in April included 191 war planes and 242 aviation motors, of which France received 168 planes and 230 motors and Britain the remainder. Present production of planes by the allies was estimated at 1,400 monthly as compared with Germany's monthly production of 3,600 planes. It was estimated that Germany now possesses between 6,000 and 7,000 first line planes. German raids on Allied air-dromes was thought to have destroyed the usefulness of between 3,000 and 4,000 French planes. The Germans also had destroyed about 700 Dutch and Belgian planes, stated the report.

Cordell Hull, Secretary of State modified the regulations of the Neutrality Act to permit American pilots to fly planes manufactured in the United States, to Canada in order to facilitate deliveries to the Allies. Previously the Allies were compelled to accept delivery in the U. S. A.

Along with the program to produce airplanes and other war materials for the British and French armies, there also is being developed plans for the United States' own defence program which will involve a manufacturing problem so large as to stagger the imagination. An example of the extent of the program was provided in the Vinson Navy Bill, which passed the Senate on June 4. The bill provides for an 11% increase in the fighting strength of the U. S. Navy. It was announced on June 2 that the Navy Department had launched the new 35,000-ton battleship, Washington, the first battleship to be built in the United States since 1921, the year of the Washington Arms Limitation Conference. The USS Washington carries 16-inch guns and four aircraft and cost approximately US$80,000,000. Rear Admiral Taussig in testifying before the House Naval Affairs Committee May 31 said that one of the most serious handicaps in the naval preparendess campaign was the limited capacity of the optical glass industry in the United States. He said that most of the optical glass in the United States had come from Germany, which country controlled the patents on the better grades.

Congressmen urged the adoption of extraordinary measures to obtain production of modern arms and equipment sufficient for an army of 1,000,000 men.

THE STATUS OF PUBLIC OPINION

Of possibly more significance than the steps which are being taken to produce the materials of war for the nation itself and for the Allied cause in Europe, were developments indicative of changing sentiment on the part of the people regarding American preparedness if not actual participation in the war. The *Christian Science Monitor*, long known for its pacifist sentiment and abhorrence of violence, announced a five-point program to repel the Nazi assault:

1.—Organize and finance refugee relief.
2.—Repeal the Johnson Act which bans foreign loans.
3.—Speed up delivery of aeroplanes to the Allies.

Ten Nations Lost Their Independence

N. Y. Times Map

4.—Remove restrictions which prevent Americans from volunteering.
5.—Encourage chartering and building of merchant ships to supply the Allies.
6.—Permit the Allies to pay for war supplies with raw materials needed by the United States in the event of war.
7.—Cease the transhipment of war materials to Russia and Japan.

The *Monitor* said that nations which achieve even an imperfect freedom of religion, of thought, of speech and of trade could find no durable peace in the world where totalitarian violence had become the final arbiter.

If the possibility of a Nazi victory is considered, the demand for active immediate measures to strengthen the cause of freedom becomes apparent. A German victory, the journal added, "would make the world safe only for anarchy".

A so-called Committee for the Defence of the United States, announced on June 3 the circulation of a petition with the object of obtaining 600,000 signatures for presentation to President Roosevelt and Congress. The petition will ask for speedy delivery of latest model airplanes to the Allies; donation of US$100,000,000 to aid war refugees in France; immediate cessation of war material exports to aggressor nations; and enforcement of all necessary measures to assure the most complete aid to the Allies—"excepting only the entry of the United States into the war."

Dr. Charles Seymour, President of Yale University urged the abolition of the Johnson Act, which bans loans to countries which have failed to pay their war debts. Dr. Seymour also recommended that American volunteers should be permitted to enlist in the British and French armies. A German victory, he declared, would threaten not only the security of the United States, but also the highest ideals of humanity. The United States must, he added, contribute as much as she can to the assistance of the Allies and at the same time refuse to export war materials to aggressor states. If necessary, he declared, the United States "should subsidize the Allies."

Students of Yale University obtained 700 signatures to a petition urging the United States to extend credit to the Allies immediately. Among the signers were President Charles Seymour and Professor Emeritus William Lyon Phelps.

A dispatch from Washington on June 3 stated that the cause of isolationism lost still more ground when it was revealed that a survey of college and university clubs and fraternal societies had shown members overwhelmingly in favor of sending American troops to the aid of the Allies. Previous surveys had shown widespread anti-participation sentiment among the students "who were determined not to die to save democracy again."

In a radio address, President Conant of Harvard University spoke of the military developments of the past few days and asked whether the United States, considering first and foremost its own best interests, could tolerate Germany's overwhelming the Allies and capturing or destroying the British Fleet". He declared: "To my mind a complete Nazi victory over France and England is by necessity but a prelude to Hitler's attempt to dominate the World. If Germany were triumphant at best there would result an armed truce. This country would be feverishly endeavoring to put itself into an impregnable position based on a highly militarized society. Our way of life would be endangered for years to come. If this be so, what should we do in these desperate tragic hours? We must rearm at once; that much is clear.

"My purpose is to urge another course of action equally important. I am advocating immediate aid to the Allies. I shall mince no words. I believe the United States should take every action possible to insure the defeat of Hitler, and let us face honestly the possible implications of such a policy. The actions we propose might eventuate in war. But fear of war is no basis for a national policy. At this moment the entry of the United States into the war certainly does not seem necessary or wise. For the present we are not prepared to render more aid as active belligerent than we can render as a non-belligerent. If our actions short of war are immediate and effective they may suffice. What are the actions that can be taken at once?

"They are as follows: First, the release to France and England of Army and Navy airplanes and other implements of war, without impairing our own security; repeal of the laws which prevent United States citizens from volunteering to serve in foreign armies; third, control of exports with the purpose of aiding the Allies by avoiding leaks to Germany and giving priority to France England; fourth, the cooperation of our Maritime Commission with the Allies in every way possible under our present laws to expedite the sending of supplies and munitions. These steps, if promptly taken by our Government, would render effective aid which some experts believe might tip the scales in favor of an Allied victory. Furthermore, they would be of infinite value in strengthening the morale of the Allied nations and would serve notice to the World that our resources were now enlisting in the democratic cause."

A Dutch Warning

Cartoon published in *De Groene*, Amsterdam, prior to the German occupation, which reflected Roosevelt's indifference to the Nazi White Book of supposed Polish documents, purporting to show that American diplomats were working for war.

The only neutral note from a man in high position, was uttered by former President Herbert Hoover, who declared that "even today the United States is not threatened directly with a hostile invasion." It was significant that the report of former President Hoover's radio broadcast (May 28) was telegraphed to the Far East by the German *Transocean* news service. Hoover declared there was absolutely no justification for the charge that his administration had neglected the country's armament problems. He said that during his administration "there was hardly any talk of war, but only of peace and disarmament." He admitted, however, that it had now become necessary to defend the Western Hemisphere against invasion, but before operating from any base in the Western Hemisphere an enemy must first capture that territory. He must get past the American fleet, and this fleet is now twice the strength of the combined fleets of Europe, excepting the British. Hoover said there was no occasion for panic and urged the people to keep cool. He also urged that the new armament program be placed under the control of one person instead of dividing it up between the President and heads of departments. He urged the creation of a Defence Council composed of the representatives of the different branches of economic life. He did not think the country needed 50,000 airplanes in peacetime, but urged that airplane production be speeded up to 4,000 planes a month, which, in his opinion would be a sufficiently impressive warning to "leave the United States unmolested."

Allies Have Suffered Colossal Military Disaster, Says Churchill in the House of Commons

THE battle of Flanders has been fought and lost—by the Allies. This appraisal of the outcome of the struggle which began on May 10 when Germany launched her offensive in the West is that of the British Prime Minister, Mr. Winston Churchill. Speaking in the House of Commons on June 4, he said: "What has happened in France and Belgium is a colossal military disaster. The French Army is weakened. Belgium is lost. The whole of the Channel ports are in Hitler's hands. We must expect another blow struck almost immediately at us or the French. We will defend our island and outlive the menace of tyranny, if necessary alone."

Mr. Churchill then told the House that if the British Isles "are subjugated, then the Empire will continue the struggle" until the New World helps to liberate and rescue the Old World. This was the first hint by an Allied statesman that American entry into the European war is regarded as more or less inevitable.

A *United Press* report from Paris on June gave substance to Mr. Churchill's forebodings of additional trials for the Allies. It recorded the fact that the German military machine, having conquered all of Belgium and northern France, was turning slowly southward as the battle of Flanders drew to its close. Reconnaissance pilots found that Germany was massing reinforcements along the Aisne River, 65 miles northeast of Paris, in apparent preparation for an offensive aimed at the heart of France. The offensive is now under way.

The question in every mind at this time is whether, in the event Germany succeeds in the anticipated offensive, France will not follow the example of the King of the Belgians and abandon the struggle, leaving Britain to face the Nazi war machine alone and unaided. The fact that Mr. Churchill told the British Parliament that Britain would continue the struggle alone if need be, is regarded as evidence that Britain is preparing for such an eventuality.

During the past ten days the Anglo-French armies in northern France and Belgium have been withdrawn from the encircling ring of steel and fire with which the Germans surrounded them. Dunkirk was the point of evacuation, and the withdrawal will rank as one of the most remarkable episodes in military and naval history. Fighting fierce rearguard actions to cover their retreat to the coast, the Allied troops backed into Dunkirk and embarked from the port and neighboring beaches. Hundreds of vessels of all types and sizes were assembled at Dunkirk for the operation and they ferried to and fro across the English Channel with their human freights and whatever protection could be afforded them by Allied naval units and air forces. The Germans bombed and machine-gunned the withdrawing troops and casualties must have been enormous. Vigorous counter-action by Allied planes, and the action of Allied warships in laying down an incessant barrage to cover the withdrawal of the troops into the Dunkirk area, alone prevented the retreat from becoming a frightful debacle.

The actual number of Allied troops which were trapped by the German armies when the Belgian King gave up the struggle has never been positively stated, thus making it impossible to estimate losses. Mr. Churchill told the House of Commons that 335,000 Anglo-French troops had been safely evacuated. He placed British losses at only 30,000. The entire Allied force of 4,000 which was defending Calais, with the exception of 30 men who were evacuated unwounded, was wiped out, Mr. Churchill disclosed. Berlin claims that since May 10 the German forces captured 1,200,000 Allied troops—British, French, Belgian and Dutch. Belgians who surrendered numbered 500,000, it was stated, while British and French troops captured in Belgium when the Germans first broke through were placed at 150,000. Berlin also estimated that 200,000 British and French soldiers had been killed, with the wounded totalling several times that figure. Allied sources have estimated German losses at 500,000 killed and wounded.

"Looking for St. Helena, Adolf ?"

The Washington Post

If it is true that 335,000 Allied troops were successfully evacuated from Dunkirk, that is no mean feat. It is testimony alike to the fierce courage of the retreating troops who fought their way to the coast rather than surrender, and to the efficiency with which the Allied navies arranged and carried through the withdrawal under extraordinarily hazardous circumstances. But, as Mr. Churchill told the Commons, the British Expeditionary Force lost 1,000 guns, all its transportation and all its mechanized equipment—losses which it will take months to make good.

The withdrawal feat in no way mitigates the seriousness of the Allied position, which Mr. Churchill himself has not attempted to hide. Whether the Nazis, from the favorable positions which they now occupy across the Channel, will attempt an invasion of England in combination with a drive southward into the rest of France, should be known very soon. Strategic considerations would appear to dictate an attempt to subjugate France separately in order to release the full might of the Nazi military machine for the task of invading England.

Here the question of Italy enters. Premier Mussolini has told the Italian people, almost in so many words, that they are on the eve of joining Nazi Germany in the present struggle. If Italy should attack France in the south, and German forces should drive through Switzer-

land in a supporting offensive, France's position would become precarious indeed. If Spain—another distinct possibility—should join the struggle on the side of Germany and Italy and attack southern France across the Pyranees, the position would be still worse. Allied diplomacy is busy in Madrid. Whether it succeeds in keeping Spain out of the war remains to be seen.

On May 28, Italy broke off trade and contraband control negotiations with Britain after reportedly reaching an agreement in principle which, had it actually been signed, would virtually have extricated Italy from the economic troubles caused by the Allied contraband control. France thereupon ruptured parleys of a similar character which she had been conducting with Italy, whose action seemed to indicate the intention to join Nazi Germany in the war regardless of any consequences. Mussolini, it seems, is not prepared to accept relatively

"I'm Only Protecting You"

Seibel in Richmond Times-Dispatch

small economic concessions and stay out of the war when a chance to expand his empire appears to be in the offing. Strength was lent to this view by a *Domei* report from Rome on June 4, which credited to a London broadcast the statement that Italy had flatly refused to discuss her "colonial claims" with Britain and France. It would seem to be Mussolini's calculation that he can get more by fighting.

If and when Italy enters the war, it is expected that attacks will be made from the Italian colony of Libya in North Africa in two directions—west against French Tunisia and east against Egypt. On May 28, according to a *United Press* report from Alexandria, the Egyptian Government started a drive against members of "Fifth Column" organizations. British, Italian, Greek and Egyptian schools and clubs were raided, while more than 40 cabaret girls of Hungarian, Polish, Spanish and Russian descent were expelled from Alexandria. On May 30, the Government appropriated an additional one million pounds for defense needs. The Egyptian Premier has reiterated his country's solidarity with Britain in accordance with the Anglo-Egyptian Treaty.

During the past few days German planes have engaged in bombing attacks on Paris, Le Havre, Marseilles and other leading French cities. Considerable damage was caused, but casualties, considering the number of bombs dropped and the areas in which they dropped, were slight. The first raid on Paris occurred June 3 when about 100 Nazi bombers showered hundreds of demolition and incendiary bombs on the French capital. According to *Havas,* 254 civilians were killed and about 650 injured. Seventeen of the German raiders were reported to have been shot down by French pursuit craft and anti-aircraft fire. In retaliation for this attack, Allied planes were reported to have bombed Berlin, Hamburg, Stuttgart, Munich and Nuremburg.

The only Allied victory of the war thus far was reported on May 29 with the capture of Narvik, northern Norwegian port on the Atlantic and point of shipment for Swedish iron ore. The German High Command admitted the loss, but they can rest unperturbed for several months to come, since the Gulf of Bothnia is now free of ice and Swedish iron can be transported to Germany's blast furnaces by that route.

Japanese Foist New Society On White Russian Emigres

WHEN the Japanese Army marched into Manchuria nine years ago they lost little time in "organizing" the population of White Russian emigres—that is, those of them who didn't flee south of the Great Wall—to serve the general purposes of the "New Order" in East Asia. After the invasion of North China in 1937, they did the same thing there: the Russian emigres were obliged to become the tools of Japanese policy. In Shanghai there have been several efforts along the same lines, but none more serious and comprehensive in its scope than the one which received wide publicity at the beginning of this week.

The City Government of Greater Shanghai, puppet administration presided over by Mayor Fu Siao-en, decreed the dissolution of the existing Russian Emigrants' Committee over which Mr. Charles Metzler presided, and the formation of a new "Society of Russian Emigres in Shanghai." Offices of the new organization, in which Mr. Metzler will hold no post, are to be located in the Wayside district of Japanese-controlled Hongkew, according to the reports.

Membership in the Society will be open only to those Russian emigres who embrace the principles of anti-Communism, it was stated in the Japanese-sponsored Russian weekly *Russ.* Those Russians who do not join the Society will not be able to get visas when they wish to leave Shanghai. They will also be denied charitable assistance and other aids upon which they have heretofore been able to call, the paper said.

Head of the Society is General I. E. Tsumanenko, who has been named chairman. He fought in World War I with the Tzarist armies and took part in the subsequent civil war against the new Bolshevik regime in Russia. There has been no indication that Shanghai's 25,000 White Russians, or even a substantial minority of them, have been consulted in this choice of a new "leader" to decide their collective destinies. As in other parts of China and in Manchuria, they have had the new society foisted on them by the Japanese, for politically they are helpless and voiceless.

Japanese Navy Victorious in the "War Against the Junks"

The Imperial Japanese Navy apparently has emerged victorious in its campaign against China's picturesque junk fleet, according to a report of the Hongkong Legislative Council's Fishing Industry Department, which stated that the Japanese Navy has destroyed a total of 762 Chinese junks which were registered in the British Colony. The Colony's report, issued on May 30, stated there had been an intensification of Japanese naval activities against Chinese junks since August last year as no less than 58 junks had been destroyed between August 21 and September 25, 1939. Thirty junks were burned in Bias Bay, near Hongkong, in one day alone last year, the report revealed.

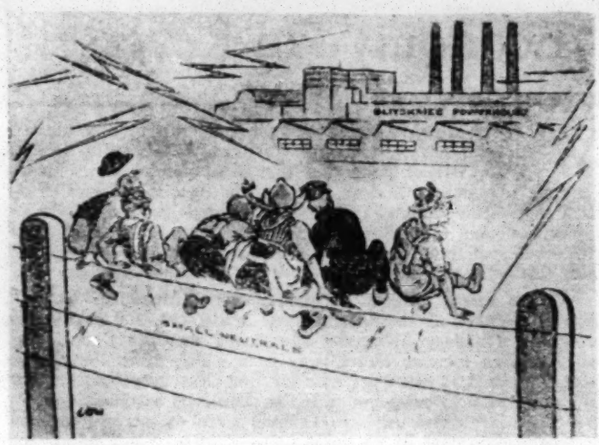
The object of the Imperial Japanese Navy in using China's picturesque junks, most of which are engaged in the fishing and coastal carrying trade, as naval targets, is not known, unless it is to assist in consolidating the Japanese control of the fishing and coastal cargo-carrying trade of China, according to neutral observers. Masters of foreign ships operating in China waters frequently report observing burning Chinese junks which have been shelled or bombed by Japanese warcraft. Large numbers of wounded Chinese sailors from junks destroyed by Japanese warships have been landed by foreign ships at Hongkong since the beginning of Sino-Japanese hostilities.

Hongkong and the War

BY JOHN AHLERS

EVER since the outbreak of the European war Hongkong has been in a very peculiar position. The avowed aim of British economic and financial war policy is to make the British Empire as far as possible a self-supporting unit, conserving its huge reserves and preventing the outflow of funds and materials to other parts of the world. In this policy, the British were joined by the other Allies, with the result that today the Allied camp forms a solid monetary and economic bloc, pledged to the restriction of financial and economic intercourse

Electrified Fence



with the remainder of the globe except insofar as this is necessary for immediate war purposes. Currency, exchange, trade and shipping controls form the chief means of that policy. The result naturally is that the international branches of British and other Allied business suffer serious contraction, and that for non-Allied business the services of British finance, trade and shipping are more difficult to obtain and less attractive than formerly.

In the Far East, Singapore in the first seven months of the European war suffered considerably from these developments. As a transit center, together with Penang and Malacca, for the Netherlands Indies foreign business, Singapore's importance sharply decreased. Instead of contacting the outside world primarily via the Straits Settlements, the Netherlands colonies were compelled to turn to increased direct commercial, financial and shipping intercourse with non-Allied countries, especially the United States and Japan. It was only the recent German invasion of the Netherlands which recovered this loss for Singapore, because it forced the Netherlands Indies into the Allied camp and linked Batavia to Singapore more closely than ever.

For almost a century China has loomed larger in the business of Hongkong than the Netherlands East Indies have in the business of Singapore. While Singapore has considerable economic and financial weight of its own as the center of the Straits Settlements, richest of all British colonial possessions, Hongkong's prosperity stands or falls with the Colony's China business. Half of Hongkong's foreign trade is transacted with China. British China shipping is based upon Hongkong. The Hongkong banks do the bulk of their business with China. And at least half, if not the major portion of Hongkong currency circulates not in Hongkong but on the Continent, chiefly in China's Kwangtung Province.

The importance to Hongkong of close economic relations with China was always realized by the British, and when the European war broke out they were quick to apply to Hongkong a peculiar economic and financial wartime policy which gave Hongkong a special status in the British Empire. Though a British Crown Colony, Hongkong was granted a treatment which practically bestowed upon the Colony, in financial and economic matters, a sort of Dominion status. Hongkong, at the same time, was placed inside and outside the Sterling Bloc. Currency and exchange controls were introduced but were confined to British subjects. Trade and shipping controls as well as restrictions followed, but the Colony's transit business was exempted from the enforcement of most of these controls. Besides, the numerous traditional links between British and Chinese business in Hongkong and Shanghai provided the Colony with certain means of escape from the new wartime controls, even where these latter are seriously meant to apply.

Hongkong is officially classified, by the London Government, as outside the Sterling Bloc. This means, in particular, that remittances to Hongkong from other parts of the British Empire are subject to all the wartime monetary and exchange controls. Even British residents of Hongkong, by London finance, are technically treated as foreigners. The Hongkong Government, however, by no means permits British subjects to retaliate by behaving as foreigners. By Colonial Ordinance, British subjects in Hongkong holding securities in Canada, U.S.A., Argentina, Belgium, France, Netherlands, Netherlands East Indies, Norway, Sweden or Switzerland are strictly prohibited from carrying out, without permission of the Governor, any transactions in such securities which would create a charge thereon. Such holdings must be reported to the Colonial Government, and practically have to be held at the latter's disposal.

The Hongkong dollar also is in a peculiar double-faced position. It is foreign currency for Sterling Bloc money. Yet today it is more closely related to British currency than prior to the European war. Though since the abandonment of silver currency in Hongkong, effected late in 1935 in coordination with the Chinese currency reform, all reserves for Hongkong dollars were held in pounds Sterling, the Hongkong dollar was not officially pegged to British currency. The 1s.3d. rate for Hongkong was not based upon any legislative act or any formal obligation undertaken by the Hongkong issue banks. Early in September last year, however, those banks announced that they would permanently buy Hongkong dollars at 1s.3-1-32d while selling at 1s.2-25-32d., which actually means the pegging of Hongkong currency to Sterling at about 1s.3d. Since then, the Hongkong dollar followed doggedly

Shortage of Iron?

Le Populaire, Paris

Adolf warns his War Minister against getting captured by the enemy.

all the variations of the New York open market quotation for free Sterling which, at one time last month, brought Hongkong currency down to a record low rate of but 18-½ U.S. cents per HK$1, showing an almost 40 per cent depreciation as compared with pre-war times.

Hongkong dollars, in the Far East, are a very important currency. The outstanding issue of Hongkong dollars on April 30, 1940, aggregated HK$225,724,101, i.e. at present open market rates the countervalue of about Ch.$900,000,000. At least half of these Hongkong dollars are in circulation in China proper. In Kwangtung Province, most of the Chinese native banks hold the bulk of their reserves in HK$500 notes, and so do many individual Chinese merchants in China's southeast. Chinese confidence in Hongkong currency is on the whole unshaken despite its sharp depreciation against U.S. currency, which for South China business so far remains a rather theoretical development void of much practical importance. Also, it remains possible to freely acquire in exchange for Hongkong dollars any other foreign currency by simply selling, via Shanghai, Hongkong currency against Chinese national currency, and buying back with the latter foreign exchange. In Hongkong itself, some sort of exchange control is exercised by the official limitation of foreign exchange transactions to a closed circle of authorized dealers who have to abide by numerous new monetary regulations decreed by the Colonial Government. Yet this control was not strong enough to prevent large-scale Hongkong speculation on the New York Stock Exchange, whose crash last month inflicted upon the Colony heavy losses, wiping out a considerable amount of Hongkong mobile capital.

The official British classification of Hongkong as outside the Sterling Bloc is the chief measure taken to maintain the freedom of the Colony's all-important entrepot trade. If it were not for this measure, Hongkong would have suffered similar commercial disadvantages to those experienced by Singapore. In recent months, imports into Hongkong of certain goods such as motor vehicles and radio sets from non-sterling countries were sharply restricted, but such restrictions were limited to goods destined for local consumption in the Colony. The present tendency of Hongkong trade policy is to subject the Hongkong local market to the same restrictions which are enforced in other British colonies, but to exempt from such restrictions all transit business via the Colony. Of course, such discrimination leads to numerous difficulties yet to be overcome. On the other hand, Hongkong's classification as a non-Sterling Bloc country resulted in difficulties for trade between Hongkong and other parts of the British Empire, especially the Straits Settlements, but these difficulties have been relieved to some extent by the application of the so-called Imperial Preference Regulations.

Though Hongkong's wartime economic and financial policy may not be outstanding for its logic, it certainly shows British adaptability to complicated emergency circumstances at its best. This policy has been successful in maintaining the volume, and in raising according to price and freight increases the value, of the Colony's foreign trade. The total foreign commerce of Hongkong in the first quarter of this year was valued at some 40 per cent more than in the corresponding period of the previous year. Hongkong's imports, for these periods, show an increase from HK$125,400,000 to HK$198,200,000, while exports from Hongking increased from HK$120,500,000 to HK$152,200,000. This 40 per cent trade value increase compared favorably with the 30 per cent rise in the Colony's index of wholesale prices.

The maintenance of Hongkong's position in international trade, and in particular in the trade of China, which continues to share with almost 50 per cent in the Colony's commercial turnover, as well as the liberality of Hongkong currency and exchange controls, made it possible for the Chinese National Government to continue basing upon Hongkong its financial and economic intercourse with the outside world. The transfer to Free China of the Chinese Government banks' head offices has not been followed by the desertion from Hongkong of the bulk of the business formerly transacted on behalf of Chungking in and via the Colony. Free China trade even via French Indo-China and Burma largely continues to be arranged in or through Hongkong. Important offices of the Chinese Government banks, as well as of the Central Trust, the Fu Hwa Trading Company, the Continental Co., the China National Tea Corporation, the China Vegetable Oil Co., etc. all have been maintained in the Colony. It also is chiefly via Hongkong that Chungking continues to contact Shanghai.

Economy—In Reverse!

An Editorial

WITH the Chinese dollar continuing to display anaemic tendencies and with the cost of living still way up at peak level, it is only natural that Shanghai residents should continue to watch with close attention the financial policies of the local municipal administrations. The burdens on the public are too obvious and too keenly felt to call for renewed editorial stress. Any municipal action which tends to increase those burdens meets with justifiable resentment.

Three recent actions of the Shanghai Municipal Council, governing body of the International Settlement, fall within this category. On May 31 it was announced that the Council had sanctioned an increase in tramway fares which raises the charges from 3.71 to 5.02 cents per mile for first-class accomodation and from 2.54 to 3.43 cents per mile for third-class accomodation.

Two days previously, the Council acted to increase the cost of living allowance of its employees—Chinese and foreign, and regardless of status—to a flat 65 per cent of basic pay in place of previous temporary allowances of 30 and 40 per cent. This adds $2,970,000 to the municipal budget for this year (the raise was made retroactive to May 1) and will cost the taxpayers an additional $4,450,000 next year.

The crowning touch to these actions was given with the announcement that the S.M.C. had agreed to pay Mr. R. T. Bryan Jr., the Municipal Advocate, a salary of U.S.$7,500 a year "in order to retain his services."

In the case of the increase in tramway fares, increased operating expenses due to the decline in Chinese currency and higher prime costs of imported stores were cited as justification, and the tramway company could in any case hardly have been denied the increase since the bus company and all other public utilities have been permitted increases. Nevertheless it is definitely an additional burden on an already overburdened public. Poorer people switched to the use of tramcars instead of buses when bus fares were raised. This escape has now been closed.

As regards the increase given to the Council employees, it is doubtless more than justified in the case of the lower wage and salary brackets. It cannot be justified as regards the well-known "A" Class employees whose salaries and other perquisites were already beyond the Council's financial means.

The generosity of the S.M.C. in the case of Mr. Bryan is an altogether different matter. Only quite recently, the Council decided that in the future hiring of employees no foreign currency commitments would be undertaken. Why, then, was Mr. Bryan singled out for special treatment? The *North-China Daily News*, which is usually anything but critical of Council policy, had considerable to say on the subject in a leading editorial on June 1. The paper pointed out that at present exchange rates Mr. Bryan would be receiving a yearly reumeration of £2,300, or only £200 less than Mr. G. Godfrey Phillips, who as Secretary and Commissioner-General of the S.M.C. is the Council's top-ranking servant. In Chinese currency the figure appears even more fantastic, working out at about $133,000 per year or $11,000 per month.

The *N.-C.D.N.* took the view that the Council's discriminatory action in the case of Mr. Bryan was a bad precedent to set and would cause dissatisfaction among other Council employees who, while they have been given a substantial increase in the cost of living allowance, are likely to suffer if the Chinese dollar falls again. Drawing attention to the fact that Mr. Bryan was in law practice here before he joined the Legal Department of the S.M.C., and that he was therefore a locally-engaged man, the paper could see no reason for placing him on the same footing as the overseas-hired Secretary and Commissioner-General. Concluding a sharp attack on the Council's action in this matter, the paper declared:

"It is necessary to remind the Council that but for the promise that it would exercise every economy, and appoint a committee to see that this was done, very considerable oppo-

sition would have been manifested at the ratepayers' meeting to passage of the Budget. That opposition was withdrawn on a compromise, but the Council appears to be reverting to its old courses. If it finds that by its latest action very considerable indignation is manifested it will have only itself to blame. It is with very considerable regret that these things have to be written, but it is surely time that the Council took stock of the situation and realized that such things as these, taken so shortly after promises of reform, cannot but raise the profoundest suspicion that the ratepayers' interests are not being properly safeguarded."

Only about one-third of the 48 governors of states of the American Union receive salaries exceeding that of the Municipal Advocate, whose new salary is about double that of Leighton Shields, U. S. District Attorney. True, the work in Mr. Bryan's office is much heavier than that of the U. S. District Attorney, who occupies a somewhat similar position, but Mr. Bryan has eight Chinese assistants in his office whose salaries range from Ch.$300 for a junior to more than $1,200 a month for senior Assistant Municipal Advocates.

Imagine the Municipal Advocate, himself a profiteer at the expense of the Shanghai taxpayers, prosecuting a petty Chinese shop-keeper charging an exorbitant price for rice or some other food commodity!

U. S. Preparedness

Roosevelt Asks New Billion Dollar Appropriation

Editor's Note:—Following is the text of a message to Congress submitted by President Roosevelt on May 31. He asked for supplementary defense appropriations totalling more than one billion dollars.

The almost incredible events of the past two weeks in the European conflict, particularly as a result of the use of aviation and mechanized equipment, together with the possible consequences of further developments, necessitate another enlargement of our military program.

No individual, no group can clearly foretell the future. As long, however, as a possibility exists that not one continent or two continents but all continents may become involved in a world wide war, reasonable precaution demands that American defense be made more certain.

Hitler Defends the Neutrals

Marianne, Paris

An investigation into manufacturing resources since my message of May 16 to determine the practicability of placing additional orders with industry for special material, both to provide an early expansion of existing production facilities and to obtain increased quantities of the special weapons concerned, has caused the War and Navy Departments to submit to me an urgent and new recommendation that increased appropriations and authorizations for the national defense be made before the adjournment of the present Congress.

Over and beyond the acquisition of this actual material is the evident requirement for the immediate creation of additional production facilities to meet possible future emergencies as well as present deficiencies in the making of munitions, such as guns, ammunition and fire-control equipment. These facilities require a long time to create and to reach quantity production. The increased gravity of the situation indicates that action should be taken without delay.

The problem of defending our national institutions and territorial integrity is no longer a problem for men equipped simply with an indomitable determination. Modern defense requires that this determination be supported by the highly developed machinery of our industrial productive capacity.

The expansion of our defense program makes it necessary that we undertake immediately the training and retraining of our people, and especially our young people, for employment in industry and in service in the Army and Navy.

The requirements of industry and the expanded armed forces for persons with experience in mechanical and manual fields, are obviously going to be great. We do not have such trained persons in the number that will be required for the tasks that lie ahead of us if our defense is to be assured. We have therefore the task of training a large number in the skills and semi-skills required by modern production in industry and by a highly mechanized defense force in the Army and Navy. A primary consideration in the training of skills must be, not the existing distribution of workers among skilled fields, but the distribution that would be required if our industrial machine and our defensive forces were fully mobilized.

In the national effort for defense upon which we are now engaged, it is imperative that we make full and effective use of the mighty capacities that lie in our population. Here, as yet undeveloped, lie the ability and the strength needed in the building up of our armaments to provide a sure industrial foundation for the meeting of any and all defense requirements. Without the full development of these skills our national defense will be less than it must be in the critical days which lie ahead. Without the full contribution of our people our defense cannot attain the invulnerability which the nation demands and which we are determined it shall have.

The one most obvious lesson of the present war in Europe is the value of the factor of speed. There is definite danger in waiting to order the complete equipment and training of armies after a war begins. Therefore I suggest the speedy enlargement of the program for equipping and training in the light of our defense needs. I have instructed the representatives of the War and Navy Departments and also the representatives of the several agencies dealing with the training of young men for non-combatant services, to make available to the appropriate committees of the Congress the plans and proposals which they have laid before me. These plans call for immediate appropriations to carry forward Congressional decisions in bills already pending, for immediate appropriations to add to the program, and for authorizations to enter into contracts which it will take some time to complete.

There is a specific recommendation I would make in concluding this message: that before adjournment this Congress grant me the authority to call into active service such portion of the National Guard as may be deemed necessary to maintain our position of neutrality and to safeguard the national defense, this to include authority to call into active service the necessary reserve personnel. The amounts involved are large—over a billion dollars—but I believe that for national safety the needs are urgent.

Secretary Berle Speaks To Garment Workers

Editor's Note:—Following is the text of an address which Assistant Secretary of State Berle delivered before the annual convention of the International Ladies Garment Workers Union in New York City on May 31. Mr. Berle asked that capital and labor should sink their differences and cooperate in view of the present world crisis as it affects the United States.

During all its history this country has built its life on the premise that its people shall live their lives in peace. Every element of our people came here, labored here, and many have died here, to preserve and protect this right of peaceful development. Now

we live in the presence of a great disaster which raises the question whether this ideal of peace can be maintained. This Government has patiently sought to talk the language of reason, of justice, and of cooperation. It has repeatedly offered to contribute to any settlement which might avoid the horrors which fill the air today. It has been made plain that if we are to preserve the precious gift which America has granted to all of us here we must be prepared to defend that gift for ourselves and our families, our friends and our children.

It is clear that this country must have at its command all of the strength necessary to assure its safety. Because we have lived peacefully we have not built up a huge reserve of war machines. It is necessary now to do so. This means production, production, and still more production. It means planning and still more planning. It means action, skill and the forthright honesty that goes into a first-rate job done quickly, done well and done dependably. To do this we shall need the highest degree of national unity, national discipline, national will; and the result of it will be national defense.

Even in the tragedy of these times I welcome the test to which this country is being put. Too many people have said that a free people cannot succeed in swift and unified action. It is time to give the lie to that sort of talk. Too many people have said that Americans were interested only in themselves. It is time to prove that every American is more interested in his country even than in himself and that he knows that his own life and safety is bound up with the life and safety of the country whose we are and which we serve. It has been said that democratic groups will never abandon their individual quarrels. It is time to show to all concerned that every group is entirely able to sink its differences and to make a whole-hearted contribution to a single cause.

We are entitled to ask of management that it abandon the search for individual advantage and judge its success only by the contribution which it now makes to the national welfare. We are entitled to ask of labor that it do the same.

We need sacrifice none of our social gains, but we have a right to ask that no search for social gains be permitted to interrupt the steady flow of production for the national defense. No social gain made by seizing a temporary strategic advantage in time of stress is permanent. Whenever there is a problem—and there will be many—the country has a right, and you have a right, to insist that the problem shall be solved without interruption for an instant of the steady flow of goods or the steady carrying out of necessary plans. A victory won by a strike will be worthless if a foreign system is imposed which takes from labor the advantage won. A profit earned by restricting production will vanish if an un-American form of life prevails on this Hemisphere. There must be team play continuously and always. We must lay aside our ambitions, our prejudices, our dislikes, and judge ourselves by the single and implacable test: Have we between us made the country a unit, achieved the necessary discipline, and laid on the line the last implacable argument, which means that no threat from overseas can dominate our national development?

I myself have an endless faith in the morale of the United States. Because we discuss freely, differ freely, sometimes quarrel freely, it has been assumed that we could never abandon our discussion, our differences and our quarrels and get together. To people who believe this I can only say that they do not yet know America. Out of many, we are one. We have welcomed all fights; but equally we could unify all talents.

We have and propose to preserve the free life of free men. We propose to safeguard them as free men can and must—by joining ranks. The time has come to stand by.

In doing this we shall need and we shall have the support of every group in the country. This includes aliens as well as citizens. The Solicitor-General has that particular matter in hand and he asks me to say that there will be no alien-baiting for the good and simple reason that the great bulk of aliens in America came here for the purpose of joining and not opposing our national life. They are here because they wish to be Americans; and all who join in the national effort will find warm welcome.

Gambling Dens Ordered Closed, But Only Gate-Signs Turned Off

SHANGHAI newspapers on May 31 published identical stories, evidently inspired from the same source, alleging that eight gambling dens in the "badlands" area adjacent to the western borders of the International Settlement had been ordered closed at midnight of that day (May 31). But, with one exception, none was closed! Only the neon gate signs on some of the places were turned off.

The report quoted "well-informed circles," presumably the Japanese authorities, as stating that they were eager to terminate the lawlessness in the Western District as soon as possible. But there was a "catch" to the notice, which stated that "a last minute delay may possibly occur, although the closing of all gambling establishments was now merely a matter of days."

The eight places marked for closure, according to the report published in the *North-China Daily News*, were:

Honeymoon, 42 Great Western Road;
Hillman gambling den, Yoong Zee Pang, off Yu Yu Road;
Yih Loo Club, 368, Avenue Haig;
Soong Yuen Club, Great Western Road;
Chen Yuen Amusement Centre, 15 Jessfield Road;
Broadway Club, 864 Yu Yuen Road;
Monte Carlo Casino, Kong Kya Jau, off Yenping Road;
Hollywood, 1204 Yu Yuen Road.

Three other favored places, which were not to be closed were:

Yu Yuen Club, 15 Oong Ping Road;
The China Club, 29 Tifeng Road;
Zau Foong Club, 1401 Yu Yuen Road.

Why these joints were not to be closed was not stated, but the report contained a further mysterious omission in that there was no mention of Farrens, located at 325 Great Western Road, in the vicinity of the Columbia Country Club. One explanation was that Farren's is owned by two foreigners, E. T. Riley, an American (or Briton), and Joe Farren, said to be a Hungarian. E. T. Riley, popularly known as the "Slot-Machine King" of Shanghai, is also proprietor of D. D's, a string of night clubs and restaurants which allegedly receive their chief income from slot-machines. Farren's is Shanghai's most popular night club and aside from dancing and a floor-show on the ground floor, the three upper floors contain roulette wheels, chemin-de-fer and a crap table. The gambling rooms are frequented by Shanghai's foreign and Chinese "elite" who do not wish to face the gangsters who frequently shoot-up and bomb the other places.

The report in the Shanghai newspapers also referred to the Hollywood gambling and opium-smoking den as scheduled for closure, allegedly because of its location adjacent to Wang Ching-wei's Shanghai headquarters, which is in the same compound, only separated by a fence. The Hollywood place originally was the most interesting of the joints but recently has lost face to the more palatial China Club at 29 Tifeng Road. According to gossip in Chinese circles the China Club is a hang-out for Nanking puppet officials who spend most of their time in Shanghai. Foreigners are barred from admission to the China Club unless they have a special pass, allegedly difficult to obtain.

Latest rumors are that all of the resorts are to be closed on June 15, but when questioned, the operators smiled and professed not to be worried as previous reports of this character had not been carried out. Some of the proprietors alleged that the practice of issuing frequent reports of "intentions to close" the joints was merely a well-known "racket" designed to force the places to pay up "back taxes."

The official Japanese *Domei* service contained a curious report, reproduced from the local military organ *Tairiku Shimpo* (Saturday June 1) to the effect that the so-called "Special Police Bureau" which is to be established in the badlands area, "would be charged primarily with closing gambling dens throughout the badlands." The Special Police Bureau, with six branch offices, was provided for in an agreement signed by Cornell Franklin, former chairman of the Municipal Council, and Mayor Fu Siao-en, of the local Chinese Municipality. This police bureau, containing a few foreign officers, will be controlled and paid by the Municipality of Greater Shanghai, which nominally controls the badlands under the supervision of the Special Service Section of the Japanese Army. Major K. M. Bourne, Commissioner of Shanghai Police, declared that he had no knowledge of the foregoing report in the Japanese paper.

Aside from the gambling situation and the usual crop of embezzlement cases in the local courts resulting from defalcations on the part of clerks of business houses who have lost their firms' money at the roulette and chuck-a-luck tables, the badlands provided a further diversion last week in the form of a "nude show." Hal P. Mills, an American publisher of a Chinese paper, was summoned to the office of the U. S. District Attorney, Leighton Shields, and asked to explain his action in publishing an advertisement of a "nude show," allegedly illegal under the laws of the District of Columbia. The advertisement was that of a resort, located at the Chin An Emporium, Yu Yuen Road, corner of Tifeng Road. The advertisement stated that five shows were given daily, which included "demonstrations of jade nude bodies of prostitutes—all completely naked—both the thin and the fat parade before your eyes." The advertisement appeared in the *Hwa Mei Wan Pao* on May 22 and 23 and stated that because of the great crowds it had become necessary to remove to larger quarters. The address given in the advertisement was near the border of the International Settlement in the badlands area where the gambling and opium-smoking joints are located.

According to the Sunday evening broadcast of Carroll Alcott, the authorities of the French Concession have decided to increase their tax on slot-machines, the object being to force out of business a considerable number of low-class bars which exist on the profits of the one-arm bandits, or to use the Chinese name, "Dime-eating Tigers."

Japanese Defend Chungking Raids; Accuse Missionaries of Meddling

Japanese military authorities took every precaution to confine five consecutive days of bombing raids on Chungking last week to purely military objectives, declared the Japanese Embassy spokesman at a press conference in Shanghai Friday, May 31. The result was that no more than 2,500 civilians were reported to have been killed or wounded.

The carefully-planned series of raids began at 2 p.m. on May 26 when 71 planes flew over Chungking but concentrated their fire on the evacuation center of Hwalungchiao seven miles west of the capital. Five hundred died there during the hour-long attack. At the same time, other Japanese squadrons were winging over widely separated parts of Szechwan Province. While a number of bombs fell in the open on that first day, several scored hits on buildings. Three newspaper offices and a new addition to the Futan University were badly damaged.

More Raids Still

On the following day 100 invading planes roared over the city for a two-hour spell. The area bombed was nearer the center of population. Chungking suburbs for a radius of 15 miles were potted from the air and the casualties amounted to 500 dead and wounded. Other Japanese squadrons again covered various outlying parts of Szechwan Province, bringing the hard facts of war home to the civilian population. The casualty lists on this day made the bombings of May 1, 1939 appear small indeed.

The attack on China's center of resistance was intensified on May 28 when 108 Japanese planes in an endless surge blew up the city's most densely-populated area with a resultant toll of 1,000 dead and wounded and 700 houses left in smoking ruins. Although no foreign lives or property were harmed the French and Soviet Embassies suffered slight damage on this occasion.

Next day, while a squadron of 72 Japanese bombers was busily making a military objective out of Chungking University, west of the city proper, Commander Okino, recently appointed Japanese naval spokesman, was telling the press in Hankow according to a *Reuter* report, that the Japanese intend to bomb Chungking daily "until the spirit of resistance of the Chinese is broken."

State Department Talks

At the same time, State Department officials in Washington wearily repeated to the *United Press* their old theme: "The United States Government has consistently and repeatedly condemned the bombing of civilians such as occurred in Chungking yesterday during a Japanese air raid." The State Department refused to issue a futile formal reiteration of this policy. The *United Press* reported on the same day that news of the Chungking air massacres had been given poor play in American newspapers, now far more interested in what is going on in Europe.

The final raid of the series started at 9 a.m. May 30 and ended at noon, with 72 participating bombers taking a smaller toll than usual.

It took a group of Chungking missionaries to rouse the Japanese to a fine fury over foreign criticism of their civilian bombings. On the last day of the raids the misisonaries dispatched a cable to Washington in which they bitterly condemned the "massacre of civilians and the destruction of great educational institutions." The message, directed to President Roosevelt, declared:

"The appalling bombings of this city for four consecutive days by hundreds of Japanese planes, resulting in indescribable suffering and loss of life as well as the destruction of educational institutions, compel us again to protest over America's continued sale of gasoline and scrap-iron to Japan, which has made possible these massacres.

"We cannot believe that it is the will of the American people that this unholy traffic which for nearly three years has made us a partner in Japan's crimes against this great friendly democracy, should continue longer. In the name of justice and humanity we appeal for the immediate cessation of this traffic."

Those Who Protested

The cable was signed by George A. Fitch of the National Y.M.C.A., William McCurday of the Methodist Mission, and Arnold Vaught of the Friends Mission.

The Chinese Foreign Relations Association followed up this message the same day with cables of similar tenor to President Roosevelt and a

(Continued on page 73)

China Trains Warplane Pilots

Photos by Thomas Kwang

In the upper picture, air force cadets are seen receiving a lesson in flight principles from a ground instructor before going aloft. The lower picture shows mechanics repairing airplane machine-guns. The scenes are in Szechwan Province.

Memorial Service For Doctor Rawlinson

A memorial funeral service for the late Dr. Frank Rawlinson, long a resident of Shanghai, who passed away in August, 1937, was held at the Pahsienjao Cemetery, Rue Vouillemont, near Avenue Joffre, French Concession on Wednesday, May 29. The services were followed by Masonic Committal Services of the ashes under the auspices of Amity Lodge No. 166, F & A. M., of which the late Dr. Rawlinson was a member. The services were attended by a large number of friends and members of the Masonic Lodge. Friends were asked to send contributions to the Rawlinson Memorial Fund, care *Chinese Recorder*, 169 Yuen Ming Yuen Road, in lieu of flowers. Dr. Rawlinson had been editor of the *Chinese Recorder* for many years and was one of the best known mission workers in the Far East. He met death under tragic circumstances at the time of the bombing of Shanghai at the beginning of the Japanese invasion in 1937. He was driving along Yu Ya-ching Road and had reached the corner of Ave. Edward VII when a Chinese plane, in attempting to escape machine gunning by a Japanese plane, dropped its load of bombs at the street intersection. According to testimony of physicians who examined Dr. Rawlinson's body, his death was caused by a machinegun bullet which passed through his heart. The bombs dropped by the Chinese plane killed several foreigners and more than a thousand Chinese at the street intersection.

Queen Wilhelmina Not to Go to the Dutch Indies

Netherlands circles in London this week denied reports that Queen Wilhelmina, whose country is now under German occupation, has decided to leave the British capital for the Netherlands East Indies. Neither her military staff nor other members of her entourage had advised the Queen to make such a move, it was stated.

Browder Nominated For Presidency of U.S.

Earl Browder, general secretary of the Communist Party of the United States, has been named the party candidate in the forthcoming election for the Presidency of the United States, with James W. Ford, a negro member, as candidate for Vice-President, *United Press* reported June 2. Browder was recently convicted of passport fraud and sentenced to a long prison term. He is now out on bail, pending appeal. The convention of the Communist Party which nominated him for President adopted a platform opposing the U.S. defense program and calling for support of the "peace policy" of the Soviet Union.

Capitulation of Belgian King Brings Down Storm of Abuse on Monarch

While German armed forces last week were smashing Allied resistance in northern France and Belgium and in a swift march of victory to the sea forced the British and French armies to take to their ships in order to escape the Nazi trap closing about them, King Leopold III of Belgium, whose order to his troops to cease fire on the morning of May 28 greatly facilitated the success of German operations, was deprived of his monarchical powers by the emigre Belgian government now in Paris, was struck from the roll of the French Legion of Honor and roundly abused by quarters sympathetic to the Allied cause as a "traitor," a "poltroon" and a "spiritless coward."

Republican "Dog House"

The Chicago Tribune

A King Dethroned

The Belgian government established on French soil claimed that the Belgian Parliament of Legislation "legally" deprived King Leopold of his throne because his order to the Belgian Army to surrender to Germany was a violation of the Beigian constitution. The Belgian "Cabinet" meanwhile was authorized to rule the nation "in the name of the Belgian people," it was announced.

Although the both Houses of the Belgian Parliament overruled the order of the king surrendering his armies to the Germans, the Belgian troops nevertheless laid down their arms, and German mechanized units immediately poured through the gap to the sea.

The status of King Leopold vis-a-vis the German army of occupation and the majority of the Belgian people still left in Belgium, has up to date not been made clear. The king's whereabouts also remained somewhat of a mystery.

Stream of Condemnation

From the mists surrounding the whole strange story of Leopold's sudden capitulation last week thundered a vitriolic stream of condemnation and recrimination as Allied sympathizers, officials and journalists rained down a hail of abuse on the luckless sovereign's head. From the mass of rumor, mutual bickerings

and "inside" stories nothing yet seemed clear outside of the fact that Leopold ordered his army to surrender. His reasons for his action must for the time being remain shrouded in doubt. He himself has not yet had a chance to speak in his own defense.

Although Allied quarters found Leopold's surrender "sudden and unexpected," a special correspondent of the Italian *Stefani* news agency reported that King Leopold had already for a week before his order called the attention of the French and British commanders to the uselessness of continuing fighting in Flanders unless the Allied troops could take the military initiative. As reported by *Transocean*, the correspondent said that the King had declared himself willing to continue to fight provided a military plan could be submitted to him which would justify the sacrifices demanded from Belgium.

The King, it was also claimed, had discussed his point of view with the French General Blanchard and the British General, Viscount Gort. In view of these circumstances, the *Stefani* correspondent found that it was rather grotesque to present the case as "if the King's decision was just improvised and made without previous consultations with the Allies."

Also from Italy, according to *Reuter*, came the report that the Vatican, which had displayed "much pride in the fact that Catholics were doing their part in the struggle against acts hostile to religion and liberty," resented the order for the Belgian troops to lay down their arms.

Views of Berlin

Political quarters in Berlin, however, found that Leopold was inspired solely by recognition of the fact that a continuation of the hopeless struggle would have involved a meaningless slaughter of Belgian soldiers. These quarters also pointed out that French Premier Reynaud was mistaken when he called the Belgian capitulation "an event without precedent." Quite recently, these sources said, the Allied troops had created a precedent when "they left Norwegian troops to their fate."

Swiss correspondents meanwhile snooped around and discovered to their own satisfaction that the German government itself did not expect Leopold's action, and that first contacts between the King and German military authorities took place only twenty-four hours before the capitulation of the Belgian army.

Belgian refugee politicians arriving in Paris, according to unneutral *Havas*, gave the real inside story of the affair. These gentlemen declared that Leopold had tried to create a "puppet" cabinet on the night of May 26. His scheme, they said, was one of "treachery." The final moves in the drama, the Belgian politicos said, were not taken as a result of military necessity, but were a climax to a long series of events through which the King tried to avoid aggravation of the Belgian-German situation.

Comment in Moscow

Russian commentators, however, discovered distinct military reasons for Allied statements in connection with Leopold's defection. The *Krasnaya Zvezda* wrote that the "Allies are trying beforehand to release themselves from the responsibility for the defeat in Belgium. The real causes of the defeat of the Anglo-French armies in Belgium and Norway do not reside in the behavior of the Belgian army, which, as the Germans admit, fought courageously and stubbornly," the paper concluded.

It was the British press, however, which opened the sluice gates of righteous indignation. "Betrayal," "traitor," "shameless," "coward," "perfidious," "poltroon," not the man his daddy was—these and other epithets were flung at the head of the Belgian monarch who a short time before had been depicted in British propaganda organs as a noble ruler, defender of the faith, leader of his people, etc.

"The King of 1940 is not the King of 1914," said the London *Daily Mail*. "The King's surrender is bound to seem to the British people an inexplicable act of betrayal," said the mildly liberal *News - Chronicle*. "....scarcely possible to overestimate the gravity of the situation created by this unforseen defection from the Allied cause, solemnized the *Times* in a voice a little louder than usual.

The *Times*, in criticizing Italian justification of Leopold's surrender, quoted Signor Mussolini's 1914 Parma speech wherein among other things he said, "There are ignoble worms who cast it in Belgium's teeth that she defended herself—she could have given the Germans free passage, but Belgium lives and will live because she refused the ignoble bargain."

The *Daily Express* was kind enough to say: "Let us leave it to the Belgians themselves to pass judgment on their ruler."

Lloyd George Vitriolic

It remained for David Lloyd George, First World War Prime Minister, to reach the heights of skilled and scathing invective. Said he: "You can rummage in vain through the black annals of the reprobate kings of the earth to find a blacker, more squalid example of perfidy and poltroonery than that perpetrated by the King of the Belgians."

Over on this side of the globe, the Chinese joined the Allies in condemning Leopold's action. The *Shun Pao* declared that the King had "no right to conclude peace or declare war on his own authority. His capitulation is not only unconstitutional but contrary to military discipline."

One Small Voice

One small voice of protest was raised by a reader of the *Shanghai Evening Post and Mercury* who signed himself "Brusseleer."

"The question," he wrote, is not whether Leopold III was a coward or a traitor in surrendering to the Germans but whether the Allies and particularly the British did give all the assistance in their power.

"....And while we are talking about traitors and cowards, let us remember the most striking cowardnesses and treasons of modern times.

"Who betrayed Austria?
"Who betrayed Czechoslovakia?
"Who betrayed Poland?
"Who betrayed Finland?
"Who betrayed Norway?"

Mr. Brusseleer seemed to think Great Britain did all these things. He concluded: "Belgium had about 1,000,000 trained men for a country of 8,000,000 inhabitants. Great Britain is proud to announce that she now has 2,000,000 men mobilized of whom at most 1,000,000 are trained. History will judge. Long live Leopold III!"

Soviet Ire Aroused by Finnish Casualty Report

Soviet anger was aroused this week by an official communique in which the Finnish Government at Helsinki announced casualties sustained by Finland in the recent war with Soviet Russia. According to the communique, which was issued on June 2, Finland's dead totalled 1,032 officers, 3,862 non-commissioned officers and 14,862 men. Missing, including those presumed to have been captured by the Russians, were given as 75 officers, 387 non-commissioned officers and 2,081 men. Seriously wounded were 510 officers, 2,391 non-commissioned officers and 21,649 men. Total casualties were therefore 66,406 officers and men.

Considering these figures not at all satisfactory, headquarters of the Leningrad Military Area issued a communique, published by the Soviet *Tass* agency, which said that the Finns "crudely distort the situation." In reality, said the communique, the Finns lost more than 70,000 men killed in battle, while at least another 15,000 died of wounds. The total number of Finns wounded exceeded 250,000. From Feb. 11 (when Soviet troops commenced their offensive on the Karelian Isthmus) until Mar. 12 (the day the war ended) the Finns lost an average of not less than 2,000 killed daily, the communique asserted, basing its assertion on "incontrovertible data" in the hands of the Leningrad headquarters.

A *Transocean* (German) report from Helsinki on June 1 declared that a total of 150,000,000 Finnish marks had been paid out to relatives of Finnish soldiers killed in the war with Soviet Russia.

Briton Killed in Robbery; Wife Dies from Shock

Charles Chegwidden, 60-year-old Briton, was suffocated to death at his Nanzing Road (Hongkew) home on the night of May 28 when two armed robbers bound and gagged him while they ransacked the house. His wife, 58, who was ill in the General Hospital, died of shock the following day upon hearing of her husband's death. Mr. Chegwidden was a retired sergeant of the Shanghai River Police, which he joined in 1906. The robbers who encompassed his death were not apprehended.

Five armed Chinese staged a daring hold-up at a Japanese-owned flour mill on Paoshan Road, Chapei, on May 31 and got away with the day's profits and the monthly pay-roll of the mill, a total of $1,500 in all, according to a report in the Shanghai *Mainichi*. They intimidated the Japanese employees into handing over the money and then made their escape, the paper stated.

Kagawa—A Thorn in the Flesh Of the Japanese Militarists

BY CHESTER S. HOLCOMBE

NO friend of the Japanese Army's war against China, an out-and-out pacifist, Dr. Toyohiko Kagawa, one of the world's great Christian leaders, is fighting out a battle alone in Tokyo today. He has ever thrown caution and his own personal safety to the winds in his valiant attempts to bring world brotherhood and peace to Nippon. Jailed and fined several times, maltreated by his own countrymen because of his views, which are the exact antithesis of the military's, he still preserves the smiling, undaunted spirt which has kept him active and progressive, his many Christian and social undertakings prospering more and more.

Kagawa is a thorn in the side of the jingoistic, nationalistic leaders of Japan. They really cannot do bodily harm to him, because it would be too obvious in the sight of the world. Instead, all kinds of pressure is constantly being brought to bear on him through his splendid work among the slums and in the churches. His followers are threatened, he is heckled unsparingly in his public appearances, and he is met with resistance in every move.

Host to Thousands

Despite all odds he carries on. Probably Tokyo's if not Japan's best-known citizen to the rest of the world for this same reason, the man is host to thousands at his home in the outskirts of the capital every year.

The common man to a great extent looks to Kagawa as a friend in all this strife and pressure put on him by the army leaders to carry the load of the Chinese war. Kagawa gladly takes up this responsibility and shouts against the war on every possible occasion.

Anybody, especially the regimented nationalists of the Japanese nation, are welcomed at the home of Kagawa. He likes to try to reason with others, trying to win them over to his side of peace and goodwill in China. What's more, he has done it in certain instances. Thousands of all classes of society visit him each year.

Compared to Gandhi

Dr. Kagawa is often compared with Mahatma K. Gandhi of India as a religious leader among his people, and rightly so. However, although both are faced with great tasks and hard jobs, it seems as if Kagawa's is the harder—because he is faced with the opposition of his fellow-countrymen, whereas Gandhi is faced with the opposition of the British leaders in his moves for Indian liberty, and has his fellow-men on his side.

The man in Tokyo is a natural speaker, and demonstrates his ability forcibly and often. At every appearance his audience is dotted with police, since they are taking no chances as to what he might say, but he does not feel himself bound down in any way, and says what he wants to anyway. His many hecklers, and people who take exception to statements during his talks, find themselves neatly answered and their arguments invariably bettered by the master speaker.

An interview with Dr. Kagawa is an experience that one does not soon forget. He is a dominating personality, someone people go halfway around the world to see. A prolific writer, a strong speaker and a tireless worker, he appears to be the most modest man one could imagine.

This great leader is still carrying on his yeoman work for the Christian cause, although suffering great inconvenience with his poor eyesight, as a result of contracting trachoma years ago in the slums of Kobe where he lived for 15 years in a six-foot-square hut, sharing the misery and discomfort of his unfortunate fellowmen.

Wrote 128 Books

He has written to date 128 books—fiction, serious works on religion, economics, history, philosophy, sociology and many other subjects. Having worn a cheap worker's suit for many years, he is now used to it. From the moment of his decision to challenge the slums of Kobe on Christmas Eve, 1908, there has grown a national work which includes 19 churches, four city settlements, 17 kindergartens and schools, six cooperative societies, a Christian lay order for young people known as *Iesu no Tomo* (Friends of Jesus), the Kingdom of God Movement, an ex-prisoners' home, an employment agency for girls, a social research bureau, and two monthly periodicals.

Son of an unregenerate father, born out of wedlock, Kagawa was an orphan at four years of age. Reared in an atmosphere of sensuousness and self-indulgence, the boy rebelled against it all and courageously rebuked his guardian for his luxurious life, his unjust dealings with his tenants, and for his dishonesty in public life.

Contact with Missionaries

Taught from his earliest boyhood by precept and example that wealth, position, and power were life's goals, he early espoused poverty and came under the spell of a passion to serve. Born in Kobe, it was in the town of Tokushima that he came into contact with Christian missionaries and began his Christian life. It was only through sacrifice and hard work that he studied at the Presbyterian College in Tokyo, the Kobe Theological Seminary and finally in the Princeton Theological Seminary in the United States.

"Comrades of the Road"

Japan's outstanding Christian leader, Dr. Toyohiko Kagawa (right) is shown here with his wife and their three children.

Married to as strong and courageous a spirit as his own, Dr. Kagawa has had the help of his wife through many of his most trying years. Still the kindly, helpful partner in his daily life that she has always been, it has proved to be a hard struggle for her, too. She is quiet and fine, and in his own words, has proved a worthy "comrade of the road."

One of the most illustrative stories that he tells about her resourcefulness is one that happened during their long years of toil in the Kobe slum district of Shinkawa. His nightly meetings of preaching the Christian faith were regularly assisted by his wife. A Buddhist sect, stirred to action by Kagawa's example, started an opposition street-preaching campaign. Shinkawa, always keen for a fight, flocked to the new banner and left the Christian group facing defeat. Mrs. Kagawa, not at all dismayed, mounted a near-by cart and began to speak. Some one in the opposition camp raised the cry, "A woman! A woman! A woman preacher!" At this the crowd surged

back to see and hear this new wonder, and the day was won.

Children Growing Up

The children, who were too young formerly to be of service to the work, now are becoming potent factors, even at their still tender years. The two girls, Chiyoko 14, and Umeko, 10, are as obedient and helpful to their parents as if they were both 10 years older. His one son, Sumimoto, 17, is already a hard-working student in a science course in Seijo Gakuen, near their suburban Tokyo home, and a leader in Sunday school work.

Dr. Kagawa is so much the possession of the world that his time is at the highest of premiums, but he is the easiest person in the world to meet. He welcomes the late visitor is if he were hours ahead of time, and acts as the perfect Japanese host at all times.

The acquiring of his present home is explained by Dr. Kagawa very simply, saying that when he was called back from Kobe to Tokyo to be the head of the Tokyo Social Bureau in 1930 he took the two rooms off the hands of a woman who had been deserted by her husband and was destitute; her household goods had been sold and her rent unpaid. He invited the woman to stay in the two 6 x 9 rooms and Dr. Kagawa had only $2.25 for furnishing them. He bought rice bowls enough to go around, and a few other essentials. Gradually he bought back the furniture which the woman had sold to the second-hand store.

A Busy Household

As occasion has demanded he adds, more rooms have been built, for this is not the home of a private family, it is the consulting room, office and studio of two very busy people and their staff. Dr. Kagawa supervises much of the research and translation which he conducts here; it is the mecca of the humble and the great who would see him; Mrs. Kagawa interviews several hundred girls in a year and carries on an extensive correspondence; and it is the home for a good many of their staff. In fact, he says jokingly, "the house is now so elongated that someone called it a caterpillar house."

The years since that Christmas Eve over 31 years ago have brought many changes. That Christmas Eve, 1908, saw a lone student pulling a two-wheeled cart on which were all his earthly possessions, into the dirty, noisy slums of Kobe—pulling all his hopes and dreams, all his plans and aspirations into that fearful spot, too. The year 1940 sees that same person, again alone, visiting similar slums in Tokyo, whose people he still loves and yearns over even though his manifold duties have made it impossible now for him to share their life.

Years Bring Changes

The years between have brought many changes. Fifteen years of slum life brought the conviction that true relief cannot come through amelioration of the sufferings of a few. It must come through a complete reconstruction of the economic system. As this belief grew, the necessity of education for the great mass of the people developed. Books were written, lectures given and faith and communion deepened as the realization grew that only the kind words and act of a Christian man could do right in the world.

"I am one of those homeless simpletons who, though living in the 20th century with its electrified civilization, still believes in the vision of chariots seen by Jeremiah," he asserts. "I still live in the midst of myths. Modern man has put them beyond the possibility of faith, but I find it impossible not to believe them. I do not live far removed from the age of myths. Nay, I live within these so-called myths. Every day, as it were, I see visions of God's wondrous warring chariots."

Dr. Kagawa at Work

Here Dr. Kagawa is shown teaching at the Farmers' Gospel School which he founded in the small village of Kawaragi Mura, between Osaka and Kobe. The school is sometimes called the "Grain of Wheat House" because it was built with royalties which Dr. Kagawa received from his novel of that title.

Unbounded Faith

His extravagances are those of faith and service. Here he knows no limit. His faith leaps over every obstacle and his service stops at no sacrifice. He is continually skirting the edge of personal poverty in his unceasing effort to relieve the needs of others.

He has received more than $25,000 in royalties from his books. Every cent of this has been spent on his three social settlements and in his work for the laborers and the peasants. All that he personally has to show for this is a hampering debt loaded upon him by a defaulting publisher.

Dr. and Mrs. Kagawa limit their family budget to $40 a month for themselves and their three children. This is made to cover bare necessities. The remainder of the returns from his writings and books, totalling some years $10,000, all goes into the work.

A group of friends of Dr. Kagawa, both in Japan and abroad, feeling that even his sizeable earnings are insufficient to maintain his present work, have established a Zaidan Hojin (Unchusha Incorporated Kagawa Foundation) which created a property-holding body to consolidate all his work under its administration. An endowment fund of $125,000 is well under way, with about a third already collected.

His Present Work

Speaking of his work at present, Dr. Kagawa says that wartime conditions in Japan have brought just as great or greater of a problem than existed when he first started his work. In the last two years 2,000 more geisha girls have appeared, he says, while the problems of inflation and shortages of different kinds of commodities have brought troubles.

"It seems to me that the year 1886 was about the point at which the spirit of Christ was seen on the downfall in Japan," recalled Dr. Kagawa. "The decline of that feeling for Christ has continued all during the intervening years, and now, in the 1940th year since His birth, that feeling for Christ, not so much for any one organized Church, is coming back.

"It is a welcome sign, a healthy one, but one which has just entered its opening stage and must needs be nursed into full maturity. Now it is being seen among young students in the schools, a yearning for Christ's teachings. Maybe it is only a passing phase, but there is every reason to believe that it is not."

The Great Earthquake

One of the great points in his career came when the mighty earthquake at high noon on September 1, 1923 devastated Tokyo and Yokohama. Kagawa got the news at 6 a.m. on Sunday from a laborer who met him on the streets of Kobe bound churchward, and carrying a newspaper. The church resolved itself into a committee meeting—but that was quite as usual! At the end of two and a half hours of worship and practical planning, the entire congregation scattered to the 27 other churches of Kobe which would have their services at 10 a.m.

By noon all the Christian community of Kobe had appointed its representatives and the committee met, choosing Kagawa and another pastor to send

up to Tokyo for relief work. They left that afternoon.

Kagawa reached Tokyo to find the government buildings in ruins and government officials nonplussed over the situation. Two-thirds of the Empire's capital, a city, including the suburbs, of 5,000,000 people. It also laid low the entire city of Yokohama, the nation's most prosperous port. One hundred thousand lives were lost and property destroyed to the value of an estimated $5,000,000,000. The fire finished the devastation which the earthquake began. The result was that no building, no machine, no materials, not even tools, remained in the whole stricken area with which to begin operations anew.

Kagawa Called Upon

It was a time that called for the best brains and keenest minds the Empire possessed. The Cabinet, feeling that it could not cope with the situation alone, set up an Imperial Economic Commission to assist the government in the titanic work of reconstruction. One hundred and eighty of the nation's ablest men in official life were invited to serve on this commission. The Premier himself acted as chairman. By a strange turn of events, Toyohiko Kagawa, whom a few years before the police authorities had hounded and treated as a dangerous demagogue, was made a member of this important body. He alone was chosen from the ranks. The others were all government officials of high position.

He was the one man in Japan of the educated classes who had lived down among the poor for years. He knew their psychology. He could lead them constructively.

The Premier became the chairman of the Reconstruction Commission, but Kagawa was asked to furnish much of the brain work for it and to give his full time for the next three years to educating and organizing the social workers they had gathered from all Japan in this area of greatest need.

Of course, Kagawa responded to this call as a patriotic duty, but at the same time he did not neglect the churches. He took a census and found that 142 churches were left standing in the Tokyo region, although many had been destroyed. He arranged to preach two nights in each of the usable buildings, and 5,800 people decided to become Christians.

His Life Work

Some of the most important parts of the work which have been developed under Kagawa's leadership include: The Kobe Settlement, the Kobe Airin Kwan (ex-prisoners' home), the Kawaragi Mura Farmers' Gospel School (between Kobe and Osaka), the Shikanjima Settlement (Osaka), the Osaka Consumers' Cooperative Store, Osaka Boston House (Seijo Kaikwan), Minable Settlement, the Tokyo Honjo Settlement, the Honjo Consumers' Cooperative Store, the Tokyo Nutritious Foods Distributing Cooperative, the Tokyo Nakanago Credit Cooperative Society, the Students' Consumers' Cooperative Society, the Tokyo Medical Cooperative Society, the Metsuzawa Church and Kindergarten, the Musashino Farmers' Gospel School, Gotemba (near Mt. Fuji), the Musashino Mission (Tokyo prefecture movement), Fellowship House (Tokyo).

A Tour Through China's Southwest

BY WILLIAM CHANG (張 雲 峰)

THE war has changed the landscapes of the beautiful cities of Peiping and Hangchow, which for ages have been praised by inspired Chinese poets as places of unrivalled beauty. Today the real beauty of China lies not in the coastal areas but in the vast plateaux and mountains in the interior where Mother Nature has so generously endowed the multi-millions with rich resources for building up a new nation out of the hitherto backward and little-exploited Southwest.

Away from the low-lying alluvial plain of the Yellow and the Yangtsze Rivers is China's great Southwest, which starts from rich Hunan and extends over hundreds and hundreds of miles in Kwangsi, Kweichow, Yunnan and Szechwan. This region of fantastic land formations, which is four times the size of Japan, offers travellers one of the world's most remarkable and inspiring journeys. It is this immense Southwest, far from the war zones, that now beckons thousands and thousands of city-bred Chinese back to the old home of their civilization to start their lives anew. It is the backbone of China's protracted resistance to Japan.

Interior Opened Up

With the completion, despite tremendous engineering problems, of the trans-national highway which traverses the entire Southwest to the frontiers, the once wild and almost inaccessible interior of China has been opened up for settlement and development along many channels. New villages have been built in the hitherto sparsely-populated areas almost overnight, while the once barren lands are now bustling with activities. Adding to the beauty of the landscape are the spacious campuses of universities and other cultural institutions removed from the eastern provinces. A new, modern machine age is maturing in the vast and resourceful Southwest as China goes to reconstruct the cradle of her civilization.

Starting from Hunan, gateway to the Southwest, the traveller will see remarkable sights in the course of a 2,500-kilometer motor tour to the far west. From the canal-bisected farmlands neighboring Tungting Lake—the largest sheet of water in China—the landscape takes on a more substantial form as it passes Changsha, the provincial seat, toward Hengshan, one of China's five sacred mountains. Throughout the 300 kilometers to the Kwangsi border, red sandstone interspersed with limestone and granite dominates the mountain formations. In this region of rich coal deposits, the mountainous ranges are covered with splendid forest and the deep valleys are bountiful with tea and wood oil plantations and rice fields. Nearing Hengyang in southern Hunan, the mountains, which bear valuable gold, silver, iron, copper, lead, zinc, antimony and sulphur deposits, form a less compact mass, and branch off into a considerable number of low hills. For most of this distance the highway adjoins the Canton-Hankow railway and the Siang River, both traversing the province from south to north and both being of considerable importance as carriers of China's products.

Weirdly Formed Region

Crossing the Kwangsi border, the highway enters a mountainous and largely unsettled region which is a continuation of the Kweichow tableland. This weirdly formed region is mostly composed of a vast granite mass, dotted with short and successive ranges of rocky hills called "the hundred thousand hills," because of their number. In the northwest, particularly around Kweilin, the provincial capital, and Liuchow, a leading river port, is a succession of hills, crowned with peaks and knolls which resemble in shape anything from scissors to ice-cream cones.

These huge stone formations in the Kwangsi hills are so closely knit that the valleys are like narrow corridors. Below them is the meandering West River which drains the greater part of the province through deep sandstone valleys and which is finally obstructed with rocks and rapids near the Kweichow border. The beautiful city of Kweilin, which at present holds over a quarter of a million people, is situated at an altitude of 650 feet, and stands in the midst of an amphitheatre crowned with towering madreporite peaks. The most remarkable features of Kwangsi's landscape lie thirty miles southwest of the provincial capital in the natural park district called Yangshu, where the beauty of the rocky hills and their majestic dignity have entranced Chinese scholars throughout the ages.

Leaving the rugged beauty of Kwangsi, the highway leads one to Kweichow Province, whose grandeur has also been a source of inspiration and challenge to generations of artists and poets. In Kweichow, which means "precious region" on account of its mineral wealth, one beholds a veritable sea of mountains. It is a large tableland covered with mountain masses and peaks which form seven-tenths of the whole territory and which assume the characteristic shape of sugar-loaves.

Land of Lofty Peaks

In the southwestern part of Kweichow's tableland even the valleys lie at an elevation of from 5,000 to 6,500 feet, while the peaks near 10,000 feet. This tableland has a great number of basin-shaped depressions, and is intersected by rivers which run in narrow, deep channels. It is over this tableland that the trans-national highway from Shanghai runs to Kweiyang, capital of Kweichow, which is situated at an altitude of 3,300 feet and is built on the largest plain of Kweichow.

High mountains with perpendicular cliffs and deep valleys dominate the landscape of Kweichow, whose loveliness lies not in the solitary hills but in the rainbow glory of the maple trees which decorate their slopes.

Over the floating white clouds or down the precipitous edges there are miles and miles of ever-greens loftily competing for prominence in the landscape. Never can one expect to behold a richer collection of hues than that created by Mother Nature in the wooded Kweichow mountains.

Magnificent Scenery

From Kweiyang, the nerve-center of the Southwest highway communications, the trans-national motor-road branches into two directions: one northward to Szechwan and the other westward to Yunnan. Travelling from the tableland of Kweichow to the border province of Yunnan, the road mounts a still higher tableland varying in elevation from 6,500 to 9,800 feet. The 622-kilometer Kweiyang-Kunming section of the highway runs through mountain scenery of breath-taking magnificence. Peaks rise close to 10,000 feet sheer from the foaming torrents below. All these mountains are the prolongation of the Tibetan buttress, which extends as far as the south of French Indo-China.

Several large rivers—including the Yangtsze and the Mekong—water Yunnan, known throughout the ages as "The Province South of the Clouds," but most of them, being hemmed in between high mountains, are unnavigable torrents. In this frontier province, owing to the diversity of its surface and climate, can be seen the richest flora of China. The deep valleys of the west and south abound in luxuriant vegetation, and possess a great variety of wild animals. Many of the high mountains are crowned with everlasting snows. In the valleys bordering the upper reaches of the Yangtsze are found many tropic trees, such as the caoutchouc, cactus and fan-palms. The provincial capital of Yunnan, Kunming, is built on the delta formed by the alluvium of the rivers running into the Tien Hu Lake, stretching to the south of the city. The Kunming area is said to have the most remarkable climate in all China. The temperature is so mild and pleasant that there is only the difference between warm and cool weather. The isolated parts of Yunnan and Szechwan will be brought closer together when the Chengtu-Kunming highway, which links up the capitals of two of China's largest and most important provinces, is completed.

Towards Szechwan

From Kweichow the main transnational highway turns towards Szechwan, the hinterland of China. Although the Yangtsze Gorges with their tumbling, foaming rapids form the gateway to Szechwan by water, the 488-kilometer overland route between Kweiyang and Chungking is by no means less thrilling to the traveller. Here and there are large-scale rice, cotton and fruit plantations, while in its immense basin of red and green sandstone, minerals such as salt, iron, coal, copper, silver, gold and petroleum abound.

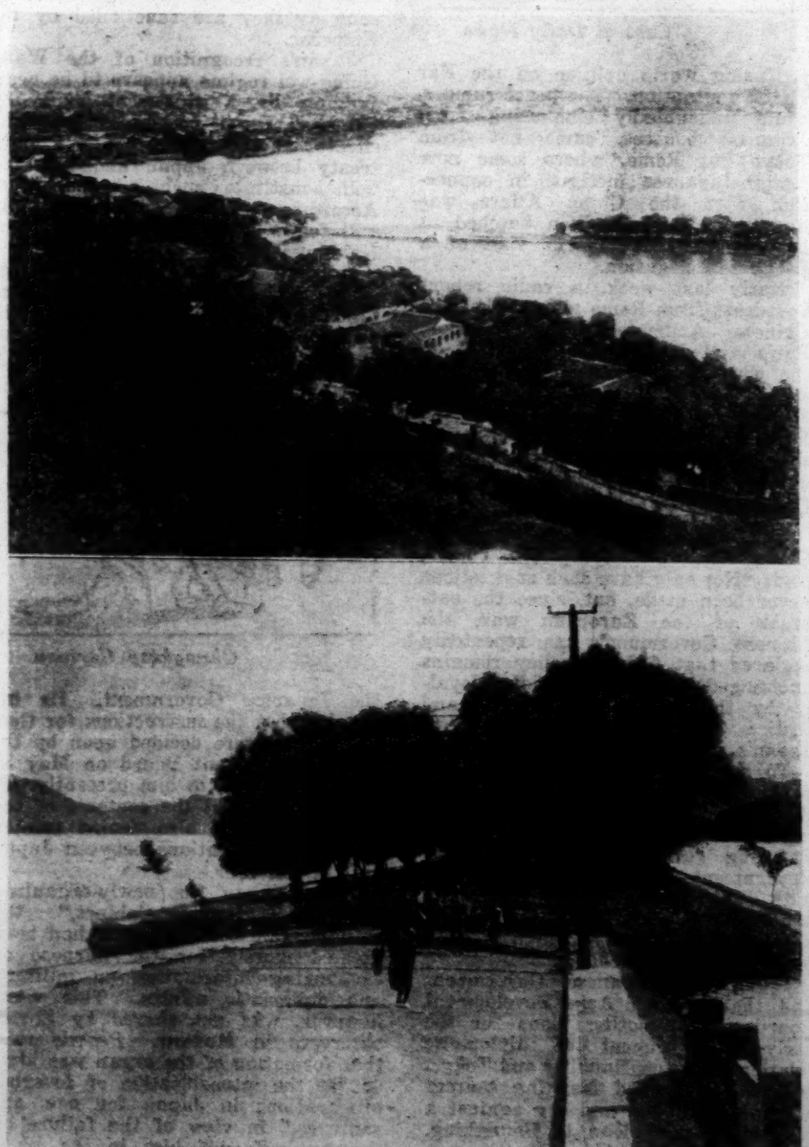
On this highway one finds fleets of trucks, government as well as private, like links of an endless chain. Numerous as these motorized transports are, yet they still do not meet the heavy demands. Therefore human carriers and pack animals take on their patient backs all those goods where cheapness is more important than time. Even the mail service is obliged to choose between accumulating mail on the French Indo-China border—one of China's backdoor outlets with the outside world—so that it would take months until it arrived in Chungking or further in the interior, or transporting the mail slowly but surely on mules, the decision being in favor of the latter. The mules carry two mail bags, one on either side, covered with oilcloth against the rain, the first and sometimes also the second animal being adorned with a brightly-colored headdress and a red triangular banner bearing in black letters the official pass. Twice a day they take a rest. Relieved of their burdens, the animals quench their thirst at the clear mountain brooks and enjoy the exuberant green meadows, while their *mafoos* take a rest under the shady trees or light a fire to prepare their simple meal. When the rest is over, the team continues its journey until the day's distance, which is usually 40 kilometers, is covered.

The Chengtu Plain

Beyond Chungking, which is built much on the same lines as San Francisco, there lies the Chengtu Plain. The Chengtu Plain, which is about 70 miles in length by 30 in width, with not a single patch of it left untilled, is a region which few others in China can rival in wealth and prosperity.

Three-fourths of Szechwan are covered with high mountains. It is composed of a plateau of red sandstone sloping towards the southeast where it meets the Kweichow border. It is in this hinterland of China, that the traveller, after covering no less than 2,500 kilometers in the Southwest over five different provinces, can yet expect to see some of the most remarkable geographical features of China, including the mighty rivers and upland beauty for which Szechwan is renowned.

Two Views of Hangchow's Famous West Lake

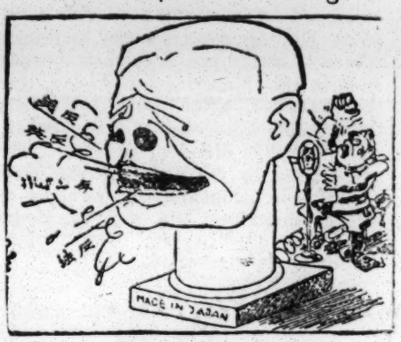


The natural beauty of Hangchow, says the writer of the accompanying article, is rivalled by the splendor of the southwestern interior of China, about which a great deal has been learned as a result of the war migration from the coastal areas.

Sino-Japanese Peace Rumors Abroad Once More as Continued Secrecy Shrouds Nanking Parleys

WITH the Wang Ching-wei-Abe negotiations in Nanking being held in abeyance, the Japanese seem to have launched a fresh "peace" offensive, apparently with the object of diverting public attention and

"Loud Speaker" Wang



Central Daily News

confusing world opinion on the Far Eastern situation. The peace rumors, while undoubtedly emanating from Japanese sources, came not from Tokyo but Rome, where some new Italian-Japanese intrigue in connection with the China Affair was understood to have been hatched as the result of the recent visit of a Japanese delegation.

Early last week, a radio report broadcast from Rome alleged that the Chinese Ambassadors at London, Paris and Berlin had suggested to the Chinese Government that China should conclude an early peace with Japan in order to associate with the European Axis powers. The report elicited a sharp denial from official quarters in Chungking.

Chungking's Denial

The Foreign Office spokesman in Chungking, in denying the rumor, said: "Not only have such suggestions never been made, but, since the outbreak of the European war, the Chinese Government has repeatedly declared that China's policy remains unchanged—a policy of abiding loyally by the principles of peace and justice and resolute resistance to Japan's unprovoked aggression."

To avoid misunderstanding on the part of the American public, Dr. Hu Shih, Chinese Ambassador to Washington, issued a similar denial. Refuting rumors that the Chinese Government was negotiating peace with Japan, Dr. Hu said that China would continue the struggle against Japan until the war had been brought to a successful conclusion.

While the Japanese Government and the so-called Asia Development Board are promoting plans for the early establishment of diplomatic relations between Nanking and Tokyo, both Japanese and Nanking sources are raising a hue and cry against a reported French loan to Chungking. On May 31, the Asia Development Board met to hear reports on the China situation from Gen. Sadaaki Kagesa, member of Gen. Nobuyuki Abe's mission to Nanking, and to discuss measures to speed up settlement of the China Incident. The Board also approved Japan's new basic diplomacy toward Nanking.

Basic Diplomacy Discussed

The new basic diplomacy, which aims at the immediate inauguration of diplomatic negotiations between Japan and the Nanking regime, was also discussed at the initial meeting of Japan's new "Inner Cabinet" composed of the Premier and the War, Navy and Foreign Ministers. Meanwhile, on June 1, Premier Yonai presented to the Emperor a report on the "provisions necessary for the inauguration of negotiations between Japan and China on which an agreement was reached at a conference of the Asia Development Board on May 31." The nature of these provisions was not divulged, but it is understood that they will be put into effect as soon as they are sanctioned by the Emperor.

Japan's recognition of the Wang Ching-wei regime appears to be near, judging by a statement made by Premier Yonai on June 3 to the effect that the conclusion of a basic treaty between Japan and Nanking will constitute such a recognition. According to Premier Yonai, Italy will follow Japan in recognizing the Nanking administration.

Admiral Yonai further stated that the formula for the disposal of the China Affair was being executed in accordance with the fixed policy of

"Leading" Wang Ching-wei

Chungking Cartoon

the Japanese Government. He intimated that the instructions for Gen. Abe which were decided upon by the Asia Development Board on May 31 would be cabled to him presently. He refused to reveal the contents of the instructions and also denied rumors of direct negotiations between Japan and Chungking.

Referring to the newly-organized Japanese "Inner Cabinet," the Premier said that the body had been created merely for the purpose of exchanging information on military and diplomatic affairs. This view, however, was not shared by Soviet observers in Moscow. *Pravda* said that formation of the organ was aimed "at the intensification of feverish preparations in Japan for new adventures," in view of the failure of the Anglo-French bloc in the West and the possibility of dissolution of the colonial empires. Such contingencies, the paper said, apparently have evoked new fits of greed for imperialistic seizures among the Japanese militarists. *Pravda* saw significance in the statement made by the Japanese Foreign Office spokesman, Y. Suma, on May 26 to the effect that the principle of non-

Puppets in the Bag

Chungking Cartoon

intervention in the European war may be called "a principle of immediate intervention."

French Loan Criticized

The reported French loan of Fr.480,000,000 to the Chungking Government for railway construction was characterized by the *Japan Times* as an attempt to hinder the establishment of peace in the Far East and as "obstinate" and "challenging." The paper declared that such pro-Chungking actions on the part of European belligerents take on new significance in the light of the European war. *The Japan Times*, it may be noted, is the mouthpiece of the Japanese Foreign Office.

Echoing Tokyo's censure, a spokesman of Nanking's Foreign Office also issued a statement denouncing France for the loan. Alleging that France has ratified the agreement between the China Development Finance Corporation and the Chungking Government for a loan of Frs. 480,000,000 for the construction of the Hsufu-Kunming Railway, the puppet Nanking official charged France with obstructing the "Peace Movement" in China and prolonging Chinese suffering from war ravages. He declared that Nanking will never recognize nor assume any responsibility for this loan to Chungking and will not consider favorably any proposals that may be made by France in the future.

Hint to Foreigners

That foreigners who want to safeguard their interests in China must deal direct with the Nanking regime was the hint given by Captain Saida, spokesman of the Japanese Information Office in Canton, on June 1. The Japanese officer asserted that the present Sino-Japanese conflict is not due to actual troubles between China and Japan but to "mischief of Third Powers who attempt to fish in the troubled waters." He particularly singled out for attack Great Britain,

France, the United States and Soviet Russia who, he said, are responsible for prolonging the China war because of their help to Chungking.

Wang Keh-min, who has been sitting on an uneasy chair in Peiping for some time, is likely to be unseated in the near future, if Nanking's plans to oust him as Puppet No. 1 in North China succeed. Wang was recently offered the post of the first Nanking ambassador to Japan, but resolutely declined the offer. According to a Peiping report, he is insisting on being allowed to resign, since he wants to retire. He is expected to leave for Tsingtao shortly and rest there when his resignation is accepted. Wang I-tang, president of Nanking's Examination Yuan and a prominent member of the now defunct Anfu Clique, is mentioned as Wang Keh-min's successor in the event of the latter's resignation.

First Ambassador Said Named

The French *Havas* news agency was responsible for a report that Yin Ju-keng, who claims the "distinction" of being the first puppet of Japanese warlords in China and who was head of the now defunct "East Hopei Autonomous Government," has been designated the first Wang Ching-wei ambassador to Japan. Yin's nomination to the post was said to have been approved by Gen. S. Itagaki, Chief-of-Staff of the Japanese forces in China. Yin, it may be recalled, was reported to have been killed during the mutiny of the East Hopei militia at the end of July, 1937, when members of the corps staged an uprising at Tungchow, seat of the East Hopei regime, and launched a surprise attack on the Japanese garrision and Japanese officials in that city.

The staff of Gen. Nobuyuki Abe, Japan's special envoy to the Wang Ching-wei regime, has been strengthened by two more members, namely, Masaaki Hotta, diplomatic advisor, and Kazuo Aoki, financial advisor. Both arrived at Nanking last week. Mr. Hotta, who was previously Japanese ambassador to Rome, said in a press interview in Shanghai that Japan would pursue a policy of non-involvement in the European war. Asked whether he had any concrete diplomatic plan as advisor to Gen. Abe, Mr. Hotta replied that he would only make suggestions when consulted by Gen. Abe. Gen. Abe and leading members of his suite were honored at a dinner given by Hsu Liang, Nanking's Vice-Minister for Foreign Affairs, on May 31.

Battlefields Visited

Following the recently-announced Japanese intention of securing the "best armament in the world," a party of technical experts left Japan on May 28 for the battlefields of North China, where they will inspect the Japanese Army's mechanized equipment. The party is under the leadership of Maj.-Gen. Sahiro Watanabe, advisor to the Mitsubishi Heavy Industry Company. The experts will watch tanks and armored cars in action against Chinese troops and will study the methods of supply and repair with a view to improving the quality and increasing the output of Japan's armaments.

The Japanese population in Nanking has now reached the figure of 8,085, with an additional 451 Koreans and 394 Formosans. Establishment of a Nanking Japanese Residents' Corporation is being planned.

Of the numerous Japanese officials now visting in Nanking, one deserves special notice. He is Gen. Shigeru Honjo, ringleader of the Japanese warlords, who was responsible for setting off the Far Eastern conflagration which has swept across China during the past three years. Honjo, it may be recalled, figured prominently in the Mukden Affair of Sept. 18, 1931, which culminated in Japanese seizure of the Chinese northeastern provinces and finally led to the present Sino-Japanese hostilities. Long relieved of active service, Gen. Honjo now holds the innocuous post of president of the Soliders' Aid Society. In that capacity, he visited Nanking last week and conferred with Gen. Toshizo Nishio, Commander-in-Chief of the Japanese forces in China, and Gen. Nobuyuki Abe. The real purpose of Honjo's visit to Nanking was not disclosed. It is, however, believed that he has come to China to visit the war fronts in an effort to bolster the waning morale of the Japanese forces in the field.

Nanking Mission Returns

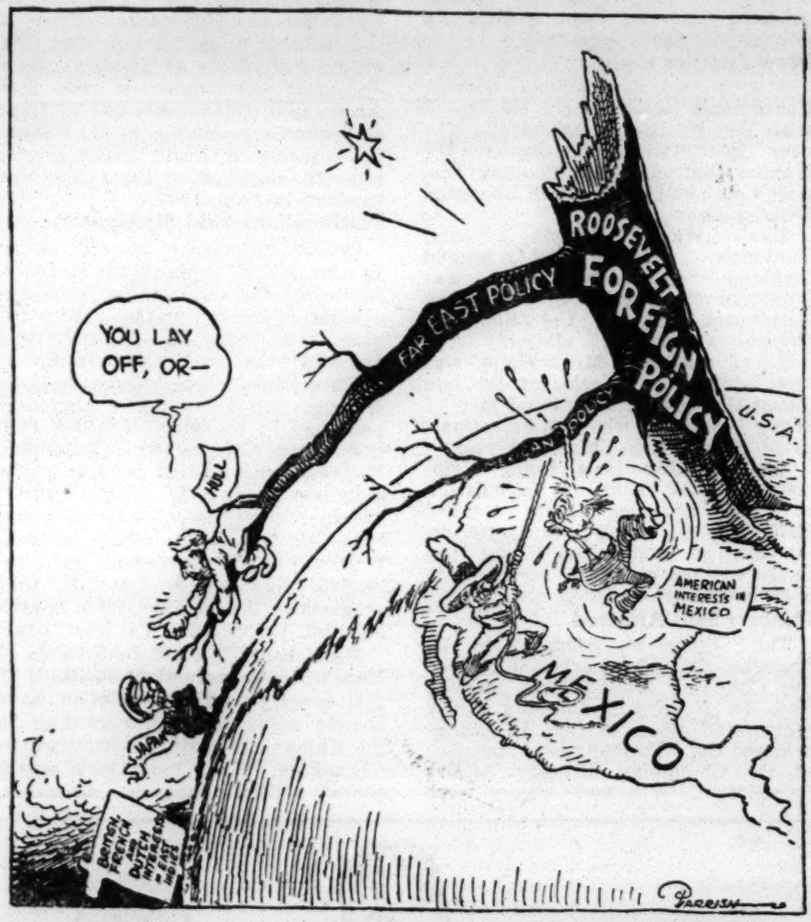
After completing a 12-day stay in Japan, members of the Nanking Mission to Tokyo headed by Chen Kung-po and Chu Min-yi, president of the Legislative Yuan and Foreign Minister of the Nanking regime, respectively, departed for China on June 2 from Kobe. Chen and Chu, however, will remain in Japan for a few more days, the former was scheduled to deliver a lecture at the Kyushu Imperial University and the latter to attend the East Asia Athletic Meet in Tokyo. The meet, starting on June 5, is being participated in by 75 Chinese athletes sent by Nanking and 180 athletes from Manchukuo.

Wang Ching-wei is no longer Nanking's navy minister, which post he relinquished on May 30. Jen Yuan-tao, vice-chairman of the Military Advisory Council, was appointed his successor. Wang had held the navy portfolio concurrently since the establishment of his regime. The Nanking navy has been one without a fleet. In order to lend it prestige, the Japanese navy authorities recently handed to it the 700-ton Chinese gunboat *Yungchi* which was captured off Yochow, on Tungting Lake, in Hunan in 1938.

New Puppet Recruit

Tung Hsiu-chia, commissioner of reconstruction of the Kiangsu Provincial Government in 1932-33 when Gen. Ku Chu-tung was chairman of the province, has joined the ranks of the Nanking puppets. He was appointed last week finance commissioner of the puppet Kiangsu provincial regime in Soochow. Prior to his appointment, Tung had served as secretary-general of the Kiangsu Consolidated Tax Bureau in Shanghai. Tung is an American returned student and claims to be an expert

Two Limbs of the Same Trunk



The Chicago Tribune

in municipal administration.

Fu Siao-en, "Mayor" of Japanese-occupied Shanghai, visited Nanking last week on a special mission, the nature of which was not disclosed. It was said that he conferred with Wang Ching-wei and other Nanking officials on important questions.

Fu was credited by Japanese sources as being the first puppet official to "put Sino-Japanese friendship into practice" by sending his five-year-old great-granddaughter to the Japanese Christian Church's kindergarten in Hongkew. *Domei* reported that the demure Miss Fu now speaks fluent Japanese.

New District Court

A new puppet Shanghai District Court came into existence on June 1 with Yen En-kwei as president. The new institution amalgamates the Nantao District Court, Pootung District Court and the Western Shanghai District Court.

Mrs. Wang Pao-yin, young Cantonese beauty and alleged Nanking "government" spy, was murdered on May 30 in her Bearn Apartment flat in the Shanghai French Concesison, allegedly for political reasons. Mrs. Wang was discovered to be a neice of the late Tseng Chung-min, right-hand man of Wang Ching-wei, who was assassinated in French Indo-China last year.

The Nanking Hwa Hsing Commercial Bank notes in circulation at the end of May totalled HH$6,386,000, which represented an increase of HH$995,000 over the figure two weeks before, according to a *Domei* report.

Officers Said Arrested

The Japanese gendarmerie in Shanghai claimed the arrest in May of two Chunging army officers, namely, Gen. Ta Hsing-pin, allegedly senior senior staff officer of Gen. Li Tsung-pen, and Col. Tu Hung-hsun, member of the Chungking Military Affairs Commission. The two officers were alleged to have been engaged in the work of securing the withdrawal by supporters of the Nanking regime of their allegiance to Wang Ching-wei.

The *Ta Kung Pao*, influential Chinese daily in Hongkong, confirmed the death of Gen. Chang Tzu-chung, commander-in-chief of the 3rd and 13th Group Armies, according to a Japanese report from Hongkong. Gen. Chang was killed in action in April during the Japanese offensive in northeastern Hupeh. The *Ta Kung Pao* published a lengthy editorial eulogizing Gen. Chang's efforts toward the national cause. Prior to the outbreak of the current war, Gen. Chang was Mayor of Tientsin. As a divisional commander of the 29th Army, Gen. Chang was one of those who offered resistance to the Japanese invasion of North China shortly after the outbreak of the Lukouchiao Incident in July, 1937.

Nationalism Said Stronger

Despite "Japanese dreams" of an imminent split among the political parties of Free China, the resistance against Japanese invasion during the past three years has increased and expanded the nationalistic sense of all layers of Chinese society, declared Madame Sun Yat-sen in a statement published in the *Hsin Hua Jih Pao*. Communist organ in Chungking. Madame Sun said that in spite of the Japanese occupation of the coastal province, the Chinese still hold a vast area of free land where natural resources and manpower are unlimited. She added, however, that progress in the administrative organs had not yet reached its ideal peak.

More than 13,000,000 inhabitants of Manchuria, or more than one-third of that country's entire population, have become opium addicts, according to the China Information Committee in Chungking. The Committee's report quoted official Japanese estimates. The Manchukuo Ministry of Finance, in 1939, collected $90,900,000 from the production and sales taxes on opium, marking a 28 per cent increase over 1938, the Committee stated.

Shao Li-tzu, newly-appointed Ambassador to Moscow, accompanied by Madame Shao, left Chungking for his post by air on May 29. They arrived at Lanchow on the same afternoon and continued their journey the following day via Sinkiang.

Sun Han-ping, dean of Fu Tan University, was among those killed during the Japanese air raid on Chungking on May 27. Wang Hsing-chien, another member of the faculty of the university, and five students, were also killed during the raid.

Hall and Holtz Record Profit of $157,743

A net profit of $157,743.51 for the working year which ended on Feb. 29, 1940 was reported at the 48th annual general meeting of Hall and Holtz, Ltd., local British department store proprietors, held on May 31. This was added to an amount of $78,511.57 carried forward from last year, making a total of $236,255.08. The meeting decided on a 10 per cent dividend, to absorb $52,684. Other allocations were made, including a donation of $1,500 to the British War Fund, leaving $69,481.80 to be carried forward to next year.

Metal Industries of China, Ltd. held its annual meeting the same day, when it was reported that there had been a substantial increase in the combined profit and loss accounts last year, bringing the credit total to $1,150,000. The meeting passed a dividend of $3 per share on 250,000 shares to absorb $750,000, and decided to carry forward $94,320.13 to next year.

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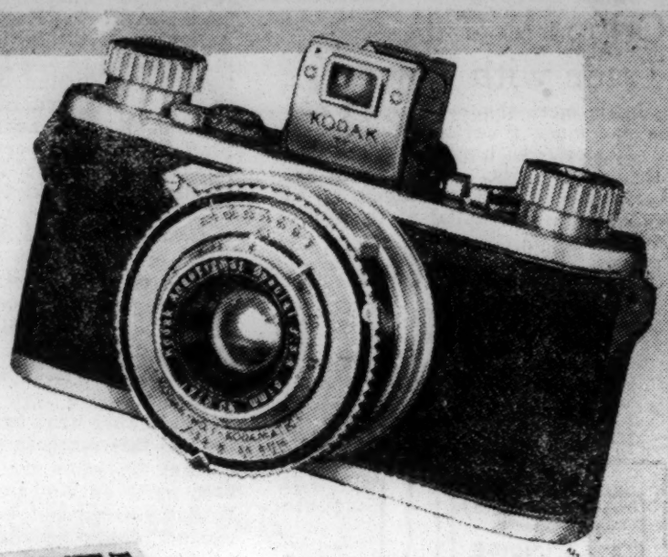

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New Regulations for European Refugees

New Regulations governing the entry of refugees from Europe into Shanghai's International Settlement were published June 3 by the Shanghai Municipal Council. They are to become effective on July 1, 1940, but will apply for the present only to that part of the Settlement which lies south of Soochow Creek, the areas north of the creek being under Japanese military control. The new regulations are as follows:

1. No entry will be permitted unless an entry permit has been obtained from the Police of the International Settlement. The granting or refusing of a permit is at the discretion of the Police.

2. Only refugees coming within the following categories are eligible to apply for such entry permits:

(a) Refugees who possess, and deposit with the Committee for the Assistance of European Jewish Refugees in Shanghai, not less than U.S.$400 in the case of an adult, or not less than U.S.$100 in the case of a child of less than 13 years of age, or the equivalent of such sums in some foreign currency.

(b) Refugees who are immediate family relations (i.e. parents, husbands, wives or children) of refugees of certified financial competency resident in Shanghai.

(c) Refugees who have a contract of employment with a resident in Shanghai.

(d) Refugees who intend to contract marriage with a resident in Shanghai.

3. Entry permits granted are valid for a period of four months only.

4. The responsibility of verifying that an entry permit has been issued by the Police before a passage booking is made, devolves upon the shipping or railway companies or other travel agents.

5. Applications for such entry permits must be made to the Police through the Committee for the Assistance of European Jewish Refugees in Shanghai and addressed to the Committee at Room 177, Embankment Building, North Soochow Road, Shanghai.

Royalty Listed Among Flanders Casualties

Recent days have seen several casualties among royalty listed among those killed in the battles that have been raging on the Western Front in Europe. Lord Frederick Charles Edward Cambridge, 32 years of age and first cousin of King George of England, was killed while on active service with the British Expeditionary Force in France, according to announcement from London on May 30.

Another recent royal (or ex-royal) casualty was Prince Wilhelm of Prussia and eldest son of the former Crown Prince of Germany, whose death was announced in Berlin on May 27. He was wounded on the Western Front on May 23 and died after an operation for an abdominal wound. Thirty-three years of age, the Prince was married to a commoner.

Still another royal casualty was the brother of King Leopold of the Belgians, who according to an announcement in London on May 30, received a serious leg wound necessitating amputation of the limb.

The British aristocracy recorded two losses this week. The Duke of Cumberland, *Reuter* reported June 3, was killed in action in France. He was 27 years old. The second casualty was the Duke of Northumberland, 28, also killed in action. He was private secretary to the Secretary of State for Air in 1936.

Wenchow Closed Again By Japanese Navy

Wenchow, the "Free China" port on the coast of Chekiang Province, has been closed to third-power shipping for an indefinite period by the Japanese Navy, according to a report in the *China Press* on June 1. Ships bound for Wenchow are now being diverted to Sungmen, about 30 miles from Wenchow, the report stated. Masters of coastal vessels first heard of the new closure when the s.s. Argonaut was prevented from entering Wenchow on May 22. An armed Japanese motor junk fired shots across the vessel's bow as she was about to steam into the port. Japanese officers then boarded the ship and ordered it to remain outside the harbor limits.

Cripps to Talk Trade with Soviet

Little more than two months after he had made a curious 36-hour visit to Moscow, reaching it by air from Chungking, Sir Stafford Cripps, Leftist Labor M.P. was again on his way to Stalin's capital at the end of last week.

No Coffee Grounds

Cartoon in *La Canard Enchaine* (Paris) depicts the closing of Madame Irma's fortune-telling establishment because of the shortage of coffee grounds.

The first trip, Sir Stafford had informed Shanghai early in March, was of a "personal nature."

There was nothing unconventional about last week's journey to Moscow. Sir Stafford was His Majesty's Ambassador and Envoy Extraordinary. He was being used by Prime Minister Winston Churchill as the Briton most likely to succeed in plugging the biggest leak in the Allied blockade round Germany—Russia.

It was indicative of the Conservative Coalition Government's desire to appease the Kremlin that although Sir Stafford was originally designated a "special extraordinary delegate" to treat on Anglo-Russian trade affairs, Moscow's refusal to receive him in such a capacity was accepted without fuss in London and Sir Stafford found himself an Ambassador overnight.

An idea of the respect in which Sir Stafford is held in pro-Soviet circles can be gathered from the succinct opinion of the *New Masses* (New York) which, when it was rumored last winter that Sir Stafford had been detailed to bring about a postponement in the Indian fight for freedom, declared ".... Cripps is the only man in England with sufficient stature to even try such a mission. None of the official Labor gang could make a ripple." It was only last year that this typically wellbred English gentleman with radical ideas was expelled from the British Labor party for advocating a united front with the Communists.

The new Ambassador will replace Sir William Seeds, who has been on "sick leave" in England since the beginning of the Soviet-Finnish war, a period of five months. During this time Anglo-Russian diplomatic relations have suffered considerably.

While it was assumed that Sir Stafford would be personally welcome to Moscow, Soviet Ambassador to London Ivan Maisky is understood to have told the British Government that a favorable prelude to the appointment of any envoy would be the release of the Soviet ships Selenga and Mayakovsky, detained by the Allied contraband control in Indo-China.

Officially the talks Sir Stafford will engage in have been labelled trade. Through *Tass* news agency the Kremlin had this much to say about them on May 29 before the new envoy had been made an Ambassador: "If the British Government really desires to conduct trade negotiations and not merely confine itself to a talk about some non-existent turn in relations between Britain and the U.S.S.R., it could do so through its Ambassador in Moscow."

It was during this same week that Britain received another sharp international rebuff when Italy suddenly broke off trade negotiations after she had been offered particularly lenient treatment in the matter of Allied contraband control. France also broke off her trade negotiations with Italy.

As the Mediterranean moved a step closer to war Britain dispatched Sir Samuel Hoare as "special extraordinary envoy" to see what he could do about keeping Spain out of it.

Navy Spokesman Regrets Atlas Maru Incident

The Atlas Maru incident, in which armed British soldiers and customs officials boarded the freighter while she was lying at anchor in the harbor of Karachi, India, was termed "regrettable" by the spokesman of the Japanese Navy Office, Rear-Admiral Masao Kanazawa, on May 30.

He declared that there had been no official report on the incident, but on the basis of press reports he regretted that an unarmed Japanese freighter should be subjected to such treatment by armed soldiers.

According to information received at the head offices of the Osaka Shosen Kaisha, owners of the Atlas Maru, the 7,344-ton freighter was boarded by 10 armed British soldiers and 20 Customs officials on May 24 as she was lying at anchor in the harbor of Karachi.

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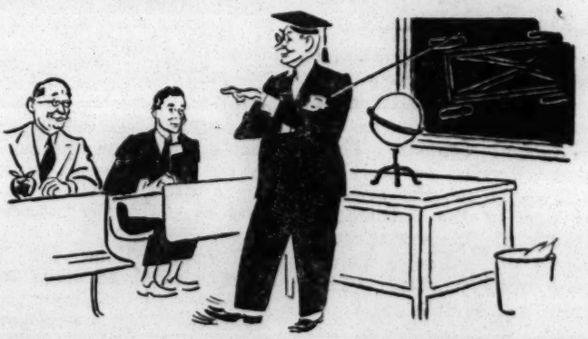

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China's Culture Still Survives, Says Wang

Japan's ruthless destruction of Chinese educational institutions has not only failed to destroy Chinese culture but has actually helped to bring about the rebirth of a New China, said Foreign Minister Wang Chung-hui in a message addressed to the students of America on May 23 through Paul Moritz, who recently visited Chungking and other parts of China on behalf of the American Student Union, the American Students' Peace Campaign and the National American Inter-Collegiate Christian Council.

Dr. Wang asserted that Chinese youths have not been cowed by Japanese bombs but have manifested their patriotism and fortitude by walking thousands of miles from the coast to the far interior of China to continue their studies. Some of them have joined the colors to fight the invaders, Dr. Wang added.

Continuing, Dr. Wang said that Chinese students have suffered great hardships, but these hardships can only be regarded as a Godsend, because the younger generation of China will be more self-reliant and better able to tackle the problems of the future with greater determination. The New China, baptized in fire and water, Dr. Wang believed, will contribute its share to the world's regeneration.

Rockefeller Foundation Works in Free China

War in China has served to open up the nation's undeveloped interior to the humanitarian work of the Rockefeller Foundation much sooner than would have been the case had peace prevailed, according to the organization's 1939 report released May 24. When the war ends the hinterland work will continue. During the past year the Foundation spent U.S.$198,860 on rural reconstruction projects in China alone. Projects near the coastal military zones had to be moved inland to Kunming, Kweiyang, Chungking and Chengtu.

Appropriations of the Foundation for scientific and sociological projects throughout the world totalled U.S.$9,463,421 last year.

Nippon Soldiers Raid German-Owned Factory

Forcing their way into the premises of a German-owned factory at 537 Liaoyang Road, in the Shanghai International Settlement, several soldiers who claimed to be members of the Rehabilitation Section of the Japanese Naval Landing Party loaded two waiting trucks with furniture and equipment and drove it away to an undisclosed destination on May 31, according to an alleged eyewitness report which appeared in the *North-China Daily News*. The soldiers gave no explanation to the Chinese employees of the factory, which had been owned by Chinese interests prior to the 1937 hostilities. It was presumed, however, that the Japanese regarded it as "enemy property." The present owners are Siemssen & Co.

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New Victories Are Claimed by Chinese

The new Japanese slogan, "Chungking's morale has been broken," may have bolstered the Nippon home front last week but it did not prevent Chungking troops from giving a good account of themselves in half a dozen engagements from northwestern Suiyuan Province all the way south to Canton.

The conflicting claims of the opposing sides make a clear picture of the military situation in China's interior difficult. On the whole it would seem that the Japanese armies gathered their energy for a number of widely scattered small offensives and that the Chinese warded off the blows with their usual tractics of spongy resistance, slow retreat to impassable areas, and guerrilla counter-attacks.

Tsaoyang Retaken

The largest encounter during the last days of May, took place at Tsaoyang, a town in northern Hupeh near the Honan border. Here according to a report in the *Sin Wan Pao* on June 1, the Murakami Division holding the city was completely wiped out by Chinese troops with no less than 4,000 Japanese left dead on the field of battle. This alleged victory was followed by the defeat on May 28 of Japanese remnants fleeing from the city. As a result of this and other Japanese defeats in north and central China, the paper on June 2 reported that two Japanese divisions had been detached from the Soviet-Manchukuo border for service in China proper.

The Japanese countered the Chinese claim with an assertion through *Domei* on June 1 that more than 50 Chinese divisions had been "demoralized" in northeastern Hupeh and southern Honan and that Chinese remnants were in full flight in the regions surrounding Lake Poyang further east.

An indication that the Chinese report at least was exagerrated came from Chungking through *Reuter* on June 4, when it was reported that after fierce fighting Chinese forces had succeeded in recapturing Tsaoyang on June 2.

Arson at Siangyang

Siangyang, east of Tsaoyang and an important base of the Chinese 5th Army was reported by *Domei* to have been set afire by Chinese arson units shortly before the Japanese entry on June 2. A *United Press* report from Chungking on June 5 claimed Chinese forces had retaken the burned city.

Other claims and counter-claims were made by both sides on the results of battles fought in Kwangtung Province during the week. The Chinese claimed the rout of 3,000 Japanese soldiers at Tsengchen, east of Canton, on May 29. The following day, according to this same report, the Japanese started a second offensive in the same region. On June 1 *Domei* reported that the Japanese had inflicted a smashing defeat on a large Chinese force at Leungkowhu, north of Canton. Chinese dead, said the news agency, totalled 4,200.

In the northern theater Japanese reports claimed extensive successes in mopping-up operations throughout Shansi during the last ten days of May. A *Domei* dispatch on June 4 said that 10,000 Chinese troops had beeh killed in the area. The heaviest fighting in Shansi occurred on the southern border, west of Tsechow.

Among the Chinese units reported decimated in these operations were the 9th and 70th Armies, parts of the 27th Army, the 3rd Army, the 15th Army and the independent 47th Brigade. The Japanese successes included alleged victories over Communist forces in the province.

The Japanese claim that Chungking forces are badly demoralized throughout the war zones, was contradicted by reports of considerable guerrilla activity in all sections. Guerrilla units effected the recapture of Paotow, western Suiyuan railway terminus, on May 25, according to a *Kuo Min* report. The day before a large guerrilla unit attacked Haiyen on the north shore of Hangchow bay.

European War Refugees May Get Haven in U.S.

According to a *United Press* dispatch from Washington on May 30, Mr. Cordell Hull, Secretary of State, is engaging in talks on the question of giving European war refugees haven in the United States. No detailed plan has yet been announced.

Hongkong to be Defended, Says Military Spokesman

Hongkong will be defended in the event of invasion—"there is no question of anything else"—the military spokesman in the British colony stated on May 30, according to *United Press*. Questioned regarding precautions taken against possible invasion by parachute troops, the spokesman reportedly said: "The lessons learned in Europe have not fallen on dry ground." The same report stated that the age limit for Hongkong's volunter forces is to be raised from 41 to 46 years.

Yangtsze Cereals Sought in Exchange for Kaiping Coal

Shipments of North China coal to Shanghai and other parts of Central China in the future will be largely transacted under a barter system providing for exchange of that coal against Central China rice and wheat, the *Peking Chronicle* reported last week.

Such coal shipments for the current year are estimated at 2,200,000 tons, including 1,100,000 tons Kaiping and 700,000 tons Shantung coal. Only 500,000 tons of North China coal are to be shipped to Central China without conditions, while the remainder of 1,700,000 tons of coal is to be bartered against Central China cereals, the paper said.

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Launching of Jackson Scheduled this Week

The American President Lines announced last week that Mrs. William Gibbs McAdoo, wife of the former United States Senator from California, who is now chairman of the Board of Directors of the American President Lines, has been invited by the United States Maritime Commission to sponsor the launching of the S.S. President Jackson. This is the first of seven new C-3 type combined passenger and cargo vessels being built for the American President Lines Round-the-World Service.

The launching of the S.S. President Jackson was scheduled for June 7 at the Newport News Ship-Building & Dry-Dock Co., Newport News, Virginia. All seven of the new American President Lines Round-the-World vessels are now in various stages of construction at Newport News. The S.S. President Jackson will be commissioned into service about November 1.

These new Round-the-World President Liners will be approximately 500 feet in length; 70 feet beam; 16,700 tons displacement; and 9,300 tons gross. They will carry 100 passengers in accommodations including all of the most modern improvements, designed to afford the maximum in comfort and safety.

The S.S. President Jackson, with her sister ships, will provide a fortnightly round-the-world service, taking 98 days for the complete voyage from San Francisco, Honolulu, Japan, Shanghai, Hongkong, Manila, Straits Settlements, India, Europe, New York, thence via Havana and Panama Canal to San Francisco.

Great Northern Office in Nagasaki Said Transferred

In accordance with an agreement reached earlier this month, the Nagasaki office of the Great Northern Telegraph Company was transferred to the Japanese Ministry of Communications on June 1. Attending the transfer ceremony were Mr. H. S. Poulsen, Far Eastern general manager of the Great Northern, and Mr. Kenjiro Tamura, director of the Telecommunications Bureau of the Ministry of Communications. Seven of the nine Danish engineers who have been with the Nagasaki office are to leave shortly, it was stated.

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Japan Gets Apology Over Riots in Lima

Relations between Japan and the South American Republic of Peru, strained recently as a consequence of anti-Japanese riots which took place in Lima, the Peruvian capital, returned to a more friendly basis late last week when formal apologies were offered by the Peruvian Government, *Domei* reported from Tokyo. Ringleaders in the riots, in which the homes and shops of some 400 Japanese residents were wrecked and several Japanese reportedly killed or injured, are said to have been punished and the Tokyo government is understood to be satisfied with this and other measures, which include the appointment of a committee to estimate the damage as a prelude to the payment of compensation.

Another source of trouble between Japan and Peru was the decision of the latter to suspend all immigration pending a national cansus, which is to be taken this month. Negotiations are said to have resulted in suspension of the Peru decision in the case of Japanese immigrants. At the time Peru decided to suspend immigration, 19 Japanese emigrants to that country, including five prospective brides, were ready to sail from Yokohama for the South American republic on the s.s. Yasukuni Maru. The brides had been selected by Japanese residents of Peru after seeing their photographs. After the ship had delayed its sailing for one day, the Peruvian Legation in Tokyo was authorized to visa the passports for the 19 and the vessel got under way.

Japan Asks Maintenance of Belgian Congo Status

Maintenance of the economic status quo in the Belgian Congo, regardless of the ultimate fate of Belgium herself, was urged last Saturday in a note handed the French Foreign Office by Mr. Ken Harada, counsellor of the Japanese Embassy, *Domei* reported.

The aide memoire recalled treaty obligations growing out of the Belgian acquisition of pre-World War I German colonies in the Congo area whereby Allied nations were accorded most favored nation treatment.

The French and British Governments were expected to support the Japanese stand, according to *Domei*.

Shanghai Switched to Daylight Saving Time

Daylight saving time for the summer months was introduced in Shanghai this week by agreement between the municipal authorities of the International Settlement and French Concession and with the cooperation of business houses and official institutions in the two areas. Clocks were advanced one hour at midnight on May 31. A notable exception, however, was "Big Ching," the clock over the Custom House on The Bund. Without any reason being given, the Japanese-controlled customs administration failed to fall in line with the new arrangement, and the big clock lags one hour behind the rest of the city's time-pieces.

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America's Tung Oil Industry Troubles

U. S. industry, chiefly the manufacturers of paints and varnishes, requires about 160,000,000 pounds of tung oil a year. Recent inventions

U.S. Tung Tree

Time Photo

in the linoleum and waterproofed-fabrics trade are said to have increased the demand for tung oil. China previously possessed a monopoly of production of tung oil, but in 1905 someone sent some seeds of the tung tree to the United States for experimental purposes.

In 1934 tung trees in the U.S. produced about 500,000 pounds of oil and in 1938 production had in-

"Naturalized"

Time Photo

creased to 3,500,000 pounds. According to report, American tung trees at the height of production might yield 8,000,000 pounds of oil, still a small percentage of America's requirements. Chief difficulty has been to produce a tree in the United States which will resist frost. Late frosts in 1935 and 1937 destroyed practically the entire crop of tung nuts from which the oil is pressed.

Japanese Defend Raids

(Continued from page 55)

number of Government leaders in Washington. The press throughout free China simultaneously took up the cudgels against the indiscriminate bombing of civilians and educational institutions. The general consensus was that the Japanese had not hit upon a solution to break the Chinese power of resistance.

Japanese reaction to this criticism was perhaps the most interesting aspect of the affair, particularly as it outlined Japanese as contrasted against foreign mentality.

Accused of Meddling

The Japanese Embassy spokesman told press correspondents in Shanghai that the missionaries in Chungking were meddling in politics and held a misconceived idea of justice and humanity. He said the missionaries had not grasped Japan's real intentions in carrying out bombardments of General Chiang Kai-shek's capital.

The spokesman pointed out that while the air raids were carried out by the Japanese naval authorities to reduce the resistance of Chungking, their ultimate object was to restore peace and consequently to improve the welfare of the Chinese people.

He compared the raids to a surgical operation necessary to secure permanent cure of the evils besetting China and said that they concerned no one but China and Japan.

Asks for Patience

"Justice and humanity are not the monopoly of the missionaries," he said, "and the Japanese authorities in ordering the raids are basing their actions on considerations of justice and humanity which are far greater in scope than those conceived by the that the Japanese sympathized with the Chinese who must be subjected to missionaries." He went on to say suffering as a result of the raids. He only asked them to bear with their present lot until the objective of the raids had been reached. The objective mentioned was peace. In closing his homily, the spokesman quoted the Bible, pointing out to the missionaries that they should "judge not lest they be judged" and that if they could grasp the spirit of such parables they would be better Christians.

From Tokyo June 1 came the proud report that the five days consecutive bombings of Chungking were the largest and heaviest ever carried out by Japanese naval air units. Dispatches reaching the capital of Nippon indicated that the bombings had smashed and demolished military establishments, the military cadets' school, government offices, a powder dump, clothing depot, two iron works, the telegraph and telephone office and the broadcasting station. On the basis of Japanese aerial photographs the dispatch declared that printing plants and newspaper offices had been destroyed.

The aerial cameras evidently developed blind spots when it came to photographing the demolished Futan Middle School, Futan University at Peipai north of the capital, Chungking University, National Medical College and the Szechwan Educational Institute.

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Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

April 30

Chinese air force yesterday bombed Japanese positions on many fronts, including towns along the Tungpu Railway in Shansi, the Hupeh cities of Hsinyang and Wushengkwan (north of Hankow) and the western outskirts of Nanchang (Kiangsi). Nearly 200 Japanese soldiers were killed and tons of supplies blown up when Chinese raiders bombed Nanchang.

One of the Japanese bombers which raided Chungking was shot down over Liangshan, eastern Szechuan.

Japanese troops yesterday trapped and routed 5,000 Chinese troops of the 93rd Army in Shansi, Japanese reports claimed.

Prominent American business and civic leaders in Shanghai reported to have cabled to the Secretary of State Cordell Hull, urging the United States Government to extend a currency stabilization loan to China. The telegram said that this is the most strategic opportunity for the United States to make a loan to China, which would help forestall further attacks against the Chinese national currency by the Japanese.

Prof. Chang Peng-chun, formerly of Nankai University, Tientsin, appointed Chinese Minister to Turkey.

Relations between Japan and Germany are definitely cooling, as the Germans are beginning to realize that Japan has her hands full in China and cannot give Germany any assistance in the present war, declared Herr Wolfe Schenke, representative of the German News Agency, in a speech in Chungking.

The National Government decided to appropriate $2,700,000 for flood relief work in Hopei.

*
**

May 1

Four squadrons of Japanese bombers yesterday severely bombed Kweiyang, capital of Kweichow, wiping out the business section, causing 500 casualties and destroying many houses including the Central Hospital. The first disastrous bombing of Kweiyang occurred on Feb. 3, 1939.

One of the Japanese bombers which raided Chungking yesterday claimed to have been shot down by Chinese pursuit craft near Liangshan, northeast of Chungking.

Japanese forces renewed large-scale offensive in South Shansi, extending from southwest to southeast Shansi near the Honan border. In southern Anhwei, after having captured Tsingyang, the Japanese were pushing southward towards Lingyangcheng.

Heavy fighting continuing in the Nanchang area (Kiangsi); Chinese recaptured Chingan on April 29.

In a statement on the burning of villages and massaere of peasants in the Tsingpu area, 15 miles west of Shanghai, the Japanese Army spokesman in Shanghai denied that more than one village was burned and that women and children were included in the "massacre." Photographs printed in Shanghai newspapers yesterday showed that at least four villages had been destroyed.

The request by a group of Shanghai Americans for a new American currency stabilization loan to China has been referred to the U.S. Treasury Department for consideration.

Hu Shih-ti, 19-year-old student of the Great China University in Shanghai, assassinated; Hu believed to be a leader of the pro-Wang Ching-wei Shanghai-Students' Federation.

Germany will not recognize the Wang Ching-wei regime and the German press has been instructed not to give publicity to the Nanking administration, declared Herr Wolfe Schenke, representative of the **German News Agency**, in Chungking yesterday.

Foreign Minister Wang Chung-hui, in a May Day radio broadcast from Chungking, charged Japan with responsibility for disturbed conditions throughout the world and said that "there can be no permanent peace in the world unless Japanese aggression is checked." Dr. Wang said that the Nanking puppet regime of Wang Ching-wei was foredoomed to failure.

*
**

May 2

Japanese advance in southern Anhwei admitted by Chinese military spokesman in Chungking. Launching a general offensive on April 24 against Chinese position in southern Anhwei, the Japanese claimed to have occupied Fanchang, Nanling and Tsingyang. Chinese troops operating behind Japanese lines were now attacking Wuhu and claimed to have succeeded in severing the Japanese land communications between Wuhu and Nanking. The object of the Japanese offensive in southern Anhwei is said to push back Chinese shore batteries along the banks of the Yangtsze which had been causing serious damage to Japanese transportation along the river.

The United Church of Canada hospital for women and children in Chengtu destroyed by fire during Japanese air raid, resulting in property losses estimated at U.S.$25,000.

Shanghai facing another exchange crisis, as the exchange value of the Chinese dollar dropped to $20 for U.S.$1.

Vice-Admiral Shigetaro Shimada, new Commander-in-Chief of the Japanese China Seas Fleet, said leaving for his new post soon. Vice-Admiral Shimada replaces Vice-Admiral Koshiro Oikawa who has been appointed Commander-in-Chief of the Yokosuke Naval Base.

Despite the establishment of the new China Government under Wang Ching-wei, "great effort and time will yet be required for building up the New Order in East Asia" declared Admiral Mitsumasa Yonai, Japanese Premier in Tokyo.

"The settlement of the China affair will be confronted with great difficulties, under the present complexities of the international situation," he said.

Alleged reports from Chungking that Germany will not recognize the Wang Ching-wei government at Nanking, and that the German press has been instructed not to give publicity to the Nanking Administration, were branded as being untrue and "all rubbish" by Frederick Glimpf, Shanghai manager of the **German News Agency.**

The British Government had consulted the Chinese Government at all material stages of the negotiations on the Tientsin silver question, and were continuing to do so, declared the Under-Secretary of State for Foreign Affairs, R. A. Butler in the House of Commons last night.

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May 3

The United States Chamber of Commerce at Washington adopted a resolution yesterday requesting the United States Government to continue to oppose Japanese discrimination against American business interests in Japanese occupied areas of China.

A railway bridge and a long section of tracks on the Tientsin-Pukow Railway near Tsinan, (capital of Shantung) destroyed by Chinese guerrillas operating in that area, according to foreign travellers from North China arriving in Shanghai recently.

Chang Jo-po, commissioner of finance of the puppet Wuhan regime, shot and killed by unknown gunmen.

Chinese dollar dropped to $23.37 for U.S.$1 on the exchange market in Shanghai.

Yoshinori Yamamura, 31-year-old Japanese in Shanghai, charged with treason against Japan and detained by local Japanese authorities for trial. Yamamura accused of having assisted the enemy and disclosing military secrets.

The Chinese Ministry of Economic Affairs warned all owners and share holders of economic enterprises in the battle zones and areas close to the fronts not to cooperate with "Japanese puppets ...who are attempting to monopolize all economic interests in the penetrated sectors."

Wei Chao, head of the glider class of the Aeronautical Affairs Commission, killed in Chungking on April 12, it was officially announced.

***

May 4

Some 1,800 Chinese civilians killed and 300 wounded when Japanese troops captured Pinyang, north of Nanning, last February according to recent investigation, Chinese war reports said. The Japanese carried off 490 women from Pinyang when they retreated, the reports alleged.

Mayor K. C. Wu of Chungking, in a radio broadcast to countries of North America, said that Chungking was fully prepared for any future Japanese air raids. Japanese air raids on cities throughout Free China in the last year had "only established an unshakable confidence and will to fight in the people of China," he told his listeners. Hachiro Arita, Japanese Foreign Minister, assailed critics of the Wang Ching-wei regime in Nanking which they described as "impotent." Arita said that "there is no appropriate scheme at present except that of seeking a solution of the China affair by supporting the new central regime in Nanking."

***

May 5

"Peace parleys with Japan are impossible now, General Chiang Kai-shek has mapped out plans to promote China's heavy industries for the manufacture of war equipment required for continued prosecution of the war and all Chinese in Free China are confident and optimistic and are supporting the Government's war policy,"—were statements made by Dr. Paul Monroe, a well-known American educator in an interview with **The China Press**, following a recent tour of "Free China."

Gen. Chang Chun, Secretary-General of the Supreme National Defense Council, in a statement issued today, asserted that the Chinese Government is taking energetic steps for the recovery of Manchuria.

Since May 3, a severe battle has been in progress in the Hah River valley between Chinese and Japanese forces. Fighting now centering in the vicinities of Suihsien and Chungtsiang.

Appealing to America and England to continue their support of the Chinese national currency, Dr. T. F. Tsiang, former Ambassador to Moscow and concurrently director of the Administrative Department of the Executive Yuan, in a radio address to America and Britain, asked Third Powers to "try and devise a means to support China's economic blood."

***

May 6

Japanese forces in Central China started a four-column drive on Siangyang and Fancheng on the upper reaches of the Han River in northern Hupeh near the Honan border.

While Japanese forces were continuing their attacks in southern Shansi, Chinese troops in west Shansi after crossing the Fen River in ten columns launched a counter offensive against Japanese forces on the Tungpu Railway.

General Pai Chung-hsi, Commander of Chinese Forces in South China, in a speech in Kweilin, said that the outcome of the Sino-Japanese war depends more on economic than military strength.

An Italian Catholic Church was damaged and many casualties were caused during Japanese air raid on Laohokow, 200 miles northwest of Hankow.

Thirty civilians were killed at Liuchow when Japanese planes carried out extensive raids on six Kwangsi highway cities northeast and west of Nanning.

Wang Tse-ting, official of the puppet Shanghai City Government, assassinated in front of the Metropole Gardens (dancing hall) in Shanghai.

Who's Who in China

Dr. K. Y. Tsu-kan Wang, M.D. college president; born at Yungshing, Kiangsi, Feb. 8, 1882; B.A. Oberlin College, Oberlin, U.S.A.; M. Sc. University of Chicago, Illinois; M. D. University of St. Louis, Missouri; Instructor of Anatomy and Surgical Resident, Hunan-Yale Medical College and Hospital; Superintendent and Medical Director, Changsha Union Hospital; President and Professor of Public Health, Kiangsi Provincial Medical College and Hospital; Commissioner of Health, Hankow Municipal Government; Health Advisor to the Hunan Provincial Government; Surgion General of the Chinese National Army; President and Professor of Anatomy, Hunan-Yale Medical College and Hospital; now, President, the National Chung Cheng (in honor of Gen. Chiang Kai-shek) Medical College; author of "State Medicine" and "China Should Have a School of State Medicine;" address: National Chung Cheng Medical College, Kunming, Yunnan.

王 子 玕

Dr. K. Y. Tzu-kan Wang

WHERE ARE THE CHINESE LEADERS?

All are familiar with the hegira of millions of people from the coastal regions to the western provinces, but few are familiar with the whereabouts and activities of China's leading governmental, military, commercial and professional leaders who have been forced from their normal jobs and places of residence into the service of national defense or other work in distant places.

Vast Changes Since 1936

The last edition of *Who's Who in China* was published late in 1936, only a few months before the beginning of the Japanese invasion. Aside from a comparatively small number of business and professional men who were not directly affected by the conflict, almost every one else was drawn into the maelstrom. Three classes of public men and women have been greatly affected by the struggle—officials, military men and teachers.

SUPPLEMENT TO WHO'S WHO IN CHINA

This book, often described as the "most useful book in China," has been published biennually for the past twenty years. But it has been found difficult to republish the complete edition under prevailing conditions. Therefore, we have done the next best thing—published a supplement—containing the names, biographies and pictures of some 300 leaders, most of whom are involved in some phase of the war—in the Provincial Governments, the Cabinet or Yuans at Chungking, Diplomatic and Consular Services, Military Service, Party Work or Professional and Business Activities. There also are a considerable number of women in the book.

For those who have a copy of the last standard edition, the Supplement will bring the entire book up-to-date. For those who do not possess a copy of the last (1936) edition, we still have a limited number of copies which will be sold to those sending in their orders at once.

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Men and Events

J. V. Crowe manager of Ford Motor Company, Exports, Inc., is on a business trip to North China.

*

Russell Brines, correspondent for *Associated Press* in Tokyo, and Mrs. Brines, have returned to Japan from a visit in Shanghai.

*

President population of Peiping is 1,719,742, of which number, 1,043,357 are men and 676,385 are women, according to a report of the Japanese-controlled police department of that city which was issued on May 29.

*

Fordham University, New York, has conferred the honorary degree of Doctor of Laws upon Dr. Paul Yu Pin, Catholic Bishop of Nanking. Dr. Yu Pin is now travelling in West China.

*

A report from Tokyo on June 2 stated that a "gentleman's agreement" limiting the export of Japanese cotton cloth to the Philippines to 45,000,000 yards a year, which expires on July 1, would be extended for another year.

*

The *Shun Pao* reported on June 1 that silver to the amount of $15,-205,000 had been exported from Yunnan province to Burma. The figure were based on customs reports from Mengtse, customs station on the Yunnan railway.

*

Sig. Geoffredo Pantaleoni, head of the Italian Tourist Information Office in New York, resigned his position on June 2 because of his opposition to the Rome-Berlin Axis. In an interview (*United Press*) he said that Italy would be "taking a one-way ride that would end in disaster if it joined the conflict as an ally of Germany."

*

S. Y. Euren, vice-president and general manager of the American Far Eastern Match Company of Shanghai, departed on June 2 for Sweden, travelling by way of Japan and the Trans-Siberian Railway. Mrs. Euren and their two sons have been in Sweden for the past year.

*

Tsutomu Suwa, former first secretary of the Japanese Embassy at Budapest, who, according to *Domei*, has been compiling statistics regarding damages done as a sequel to the hostilities in China, has been appointed chief of the foreign affairs section of the Korean Government-General at Seoul.

*

Bishop Hermann Schoppelrey, S. D. V., Vicar Apostolic of Sinyang, Honan province died in Sinyang on May 31. He was 63 years of age and was a member of the Society of the Divine Word, the American branch of which is connected with the Fu Jen Catholic University at Peiping. Bishop Schoppelrey was born at Aachen (Aix-la-Chapelle), Germany and came to China as a missionary in 1909. Previously he had been a professor in the Seminary of the Society of the Divine Word at Vienna. He was consecrated Bishop in 1934.

Com. Henri H. Smith-Hutton, U.S. Naval Attache at Tokyo and Mrs. Smith-Hutton, have returned to Japan following a visit in Shanghai.

*

William H. Chamberlin, correspondent for *Christian Science Monitor* in Paris, and Mr. Elliott, correspondent for New York *Herald-Tribune*, also stationed in Paris, were seriously injured in a motor car accident near the front on May 31. Mr. Chamberlin was previously stationed in Tokyo and is well known in the Far East.

*

The *Chugai Shogyo*, Tokyo newspaper, stated on June 2 that the number of foreign tourists visiting Japan has steadily declined as a result of the China Incident and the European War. The Fujiya Hotel at Miyanoshita, which formerly accommodated 20,000 guests annually, of whom 16,000 were foreigners, reported that the number of foreign guests had dropped to 6,000 in 1939.

*

K. A. Person, well known Norwegian resident of Shanghai, delivered an address over the French radio station in the French Concession on the evening of May 30 dealing with the work of the German professor, Herr Ewald Banse, of the military department of Brunswick Technical College, Brunswick, Germany. Mr. Person stated that the present Nazi military campaign, involving invasion of the Scandinavian countries, Netherlands and Belgium, was outlined by Prof. Banse in a book published in 1932 which was entitled "Germany Prepares for War."

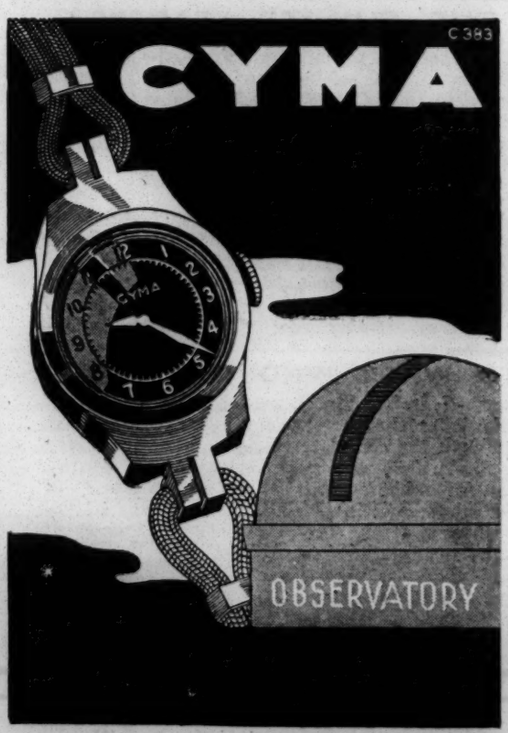
Robert Yoshinori Horiguchi, head of the English section of the official Japanese *Domei* news agency and concurrently chief interpreter for the Japanese Army, Navy and Diplomatic spokesmen at Shanghai, was guest of honor at a farewell dinner party on Monday evening, June 3, given by the Japanese Army and Navy spokesmen. The dinner was given at the Metropole Hotel and was attended by 28 newspapermen and officials. Talks were given by Ken Tsurumi, Embassy spokesman, and Hallett Abend, correspondent for the *New York Times*.

*

The German Consul-General in Shanghai, according to *Transocean*, has demanded a "satisfactory settlement," of an incident on Sunday afternoon, May 26, when a British soldier allegedly broke into the local office of the Deutsch-Asiatische Bank in the International Settlement. The report stated that the soldier had no intention of robbing the bank, but intended to saw off the flagpole on top of the building as a means of lowering the Nazi flag. The soldier smashed some window panes in entering the building. He was arrested by the Municipal police.

*

Anthony Colin Peach, Shanghai-born Flying Officer with the British Royal Air Force, who was reported killed in action recently, is not dead, but is a prisoner in Germany. A cable to this effect was received by Mr. and Mrs. N. W. Peach, parents of the youthful flying officer, from the London Air Ministry last week. The report was supplied to London by the International Red Cross.



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Hsu Chung-ching, recently appointed president of the National Sun Yat-sen University, arrived in Kunming on June 1, en route to Kwangtung to take up his position. A delegation of students was in Kunming to greet him and accompany him to Kwangtung were the university is now located. The school was previously located in Canton, but moved to the interior of the province prior to the Japanese invasion.

*

Wm. Van Buskirk, member of the local camp, Spanish War Veterans, is departing shortly for the United States where he plans to attend the annual national encampment of the organization, scheduled to be held in Detroit in August. He also plans to attend the American Legion Convention in Boston in September. He plans to spend several months in the United States, returning next year.

*

Two events in the motion picture world last week: Walter Connolly, the well-known screen actor, died in Hollywood on May 28; Robert Montgomery, star of British and American films, potponed all his film contracts in England and enlisted for six months in the American Field Service Ambulance Corps which is serving in France.

*

The Cathay and Palace Hotels in Shanghai, both of which are British owned, have discontinued their musical and floor-show entertainments, "in view of the seriousness of the situation in France," according to annouccements published in the local papers last week. H. A. Anette, secretary of the French Club, chief entertainment place in the French Concession, said that no similar steps were contemplated there.

*

Dr. R. Cecil Robertson, head of the Division of Pathological Sciences of the Lester Institute of Medical Research at Shanghai, has resigned to accept the post of Professor of Pathology at the University of Hongkong, according to the annual report of the Lester Institute, which was issued last week. Dr. Robertson has been in west China for several months where he served as chief technical expert adviser to the Chinese National Health Administration under the auspices of the League of Nations. As a result of Dr. Robertson's departure pathological work at the Institute has been in change of two Chinese physicians, Dr. L. S. Kau and Dr. C. J. Wu.

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THE CHINA WEEKLY REVIEW
160 Ave. Edward VII, Shanghai.

The China Aviation Company, owned and operated by the Japanese military authorities, has announced the opening of an air route between Shanghai and Hangchow. The distance, 170 kilometers, will be covered in 50 minutes. Planes will leave Shanghai at 9 o'clock in the morning and Hangchow at 2 o'clock in the afternoon. The fare will be Y25 for a one-way trip.

*

The Chinese National Government, according to *Kuomin* report from Chungking on June 2, has issued a mandate commending the patriotic services of the Philippine branch of the Chinese Aviation Development Association, which has contributed $4,000,000 to the Chinese aviation fund. The mandate stated that the officers of the organization had spared no effort in promoting the work of the organization.

*

Senator John Townsend's long discussed bill prohibiting the further purchase of foreign silver by the U. S. Treasury Department, which received the approval of the Senate some time ago, had to be referred back to committee because it contained a tax provision which affected its constitutionality, according to *Reuter* report from Washington on May 31. The report stated that the tax provision had now been deleted and the bill reintroduced. The bill as it passed the House (45 to 36) terminated the authority of the Treasury, under the Silver Purchase Act of 1934, to purchase foreign silver.

*

According to the German *Transocean* service, the well known staff correspondent for *Colliers' Weekly*, Jim Marshall, who has been in India, reported that the prisons of India are filled with Indian anti-British agitators. He stated that "all informed observers were convinced that an open rebellion was imminent and that 60,000 British troops would be unable to cope with the situation," according to the *Transocean* report, which claimed that Mr. Marshall had to return to Manila in order to send his uncensored report to New York. Mr. Marshall passed through Shanghai several months ago on his way to Netherlands Indies and India.

An American aviation officer, Pilot E. A. Wickenkamp, member of the British Royal Air Force in France, was reported missing and was believed killed in action, according to *Reuter* report from London, June 1. The report stated that Pilot Wickenkamp was born at Dorchester, Nebraska and received his education in Canada. He was awarded the Order of the British Empire.

*

Nelson T. Johnson, U. S. Ambassador to China; Sir Archibald Clark Kerr, British Ambassador; and M. Henri Cosme, French Ambassador, probably will spend their summer vacations at Peitaiho, famous summer resort on the Gulf of Chihli, north of Tientsin, according to *United Press* report from Chungking. The only foreign ambassador scheduled to remain in Chungking in the warm season is M. Alexander Panouchkine, Soviet Ambassador.

*

A Japanese scrap metal contractor and collector attempted to remove one of the heavy steel defense gates erected by the Municipal Council of the International Settlement several years ago on North Tibet Road. Settlement police attached to the West Hongkew station saw the Japanese contractor demolishing the heavy concrete foundations to the gate on Friday morning, May 31 and protested, but the Japanese paid no attention to the protest. The police then notified the Japanese military authorities who sent an officer and ordered the contractor to leave.

*

The Soviet Consulate-General at Peiping has received instructions to close temporarily, beginning end of June, when Consul-General Nitiken and staff will return to Moscow. The Soviet Consulate-General at Peiping was the last diplomatic organ of the Soviet Government to remain open in Japanese-occupied areas of China. The Consulate-General at Shanghai was closed last year and the Tientsin consulate was closed early this year. Recently several Soviet consular officials returned to Shanghai but there has been no official announcement regarding the reopening of the local Consulate-General.

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In the United States Court for China

JULIA MORRIS, born DEITCH *Plaintiff,*	Cause No. 4486 Civil No. 2365 ORDER of Publication
vs.	Filed at Shanghai, China,
GLENN LEROY MORRIS *Defendant.*	May 17th, 1940 WILLIAM T. COLLINS Clerk.

The object of this suit is an action for divorce and custody of the child.

WHEREAS, plaintiff herein, by her attorneys, has this sixteenth day of May, 1940, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the sixteenth day of May, 1940, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case on the sixteenth day of May, 1940, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China, nor has he resided therein since the last four years, and that defendant's last known address was La Habra, California, Post Office Box No. 124.

NOW, THEREFORE, it is this 17th day of May, 1940, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the China Weekly Review, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the seventh day of June, 1940, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:
Dated at Shanghai, China,
the 17th day of May, 1940.

MILTON J. HELMICK,
Judge.

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New Books of Interest in the Far East

Novel to Play

ORESTES AND I: A Play in Three Acts.—By Juan Marin. Translated from the Spanish by Richard P. Butrick. Tokyo, Asia America Editors, 1940. Paper, 66 pages.

This play is a dramatic adaptation of the novel by the same name, done by the author. It contains the classic plot of a husband jealous of his wife's love for their son. The story varies the Greek legend of Orestes, guilt-laden, purified from his sin by the grace of the gods. The main weakness of the play comes from its brevity, for the text does not succeed in satisfactorily motivating the action and making the tragedy inevitable. The husband, Dr. Fraga, is himself a psychiatrist, which gives in a double sense the psychological background and makes a delicate character portrayal doubly necessary. The subject needs the space of a long novel, or at least of a much longer play. The publishing house should provide itself with a good proof reader.

F.M.R.

The Author

Dr. Juan Marin, author of "Orestes and I," is well known in Shanghai as the Charge d'Affaires and Consul-General for Chile. Dr. Marin has had a varied career as Surgeon-Commander in the Chilean Navy, professor in the Medical School of the University of Chile and author of scientific books and novels. Mr. Richard P. Butrick, American Consul-General at Shanghai, who translated Dr. Marin's play from the Spanish, had extensive experience in the U.S. diplomatic service in South America, including service at the Valparaiso consulate, prior to coming to the Far East.

On Soviet Russia

THE SOCIALIST SIXTH OF THE WORLD — By Hewlett Johnson, Dean of Canterbury. Illustrations by Nowell Mary Hewlett Johnson. London, Victor Gollancz, Ltd., 1939. 384 pages.

This book by Hewlett Johnson, Dean of Canterbury, is a study of the achievements of the Soviet Union by one who finds therein a more truly Christian order in the domestic sphere than any other civilization has yet achieved. Dean Johnson holds the belief that collectivism is inevitable and that the first great step towards collectivism has been made by the Soviet Union. This may be seen, he says, both in the professed program and in the daily practice of Soviet life, "despite all setbacks, defects and crimes."

"Christians," says the Dean, "should recognize once and for all that economic exploitation, with all its degrading and disorganizing consequences, is as utterly wrong as it is scientifically doomed." The logical and moral basis for the views expressed in this book can scarcely be refused acceptance.

The reviewer feels justified in stating that the most valuable part of this book is not the description of Russian life, for the author himself admits that he has consciously selected "those aspects which seem to me to be truly creative and essentially good." Of much more importance is the study of Dean Johnson, of the man himself, as he emerges from his book. What experiences, what intellectual processes, what spiritual insight have led him to his conclusion? His spiritual honesty and his intellectual integrity cannot be questioned.

In many ways this book is an English companion to the American book of Anna Louise Strong, *I Change Worlds*. Both books are written by admirers of the Soviet Union and both are a challenge to their own nationals for needed home reforms.

Dean Johnson describes his childhood in a prosperous middle-class home. Vacations with his vicar grandfather in Lancashire taught him "that the best start in life lies in a simple home with cultivated tastes and no enervating atmosphere of financial endowment." His early experience in the family factory was in the days when intimacy between operatives and employers still existed. Study of science caused him to discard his youthful fundamentalist ideas; but in their place developed "a faith more humanistic, more searching in all its claims on conduct, less content with conventional Christian platitudes, less divorced from daily living."

Family reverses caused the young Johnson to live on his thirteen shillings a week and he came to know the hardship and heroism of the working people. This experience showed him that charity was not enough. After four years theological study, when his plans to become a missionary engineer failed, he became

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1940-1941

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Monday, June 24, 1940.
End of Summer Term—
Friday, July 26, 1940.
Opening of Autumn Term—
Monday, October 7, 1940.
Thanksgiving Holiday—
November 28, 29, 1940.
End of Autumn Term—
Friday, December 20, 1940.
Christmas Recess—
Saturday, December 21, 1940 to Wednesday, January 1, 1941.
Opening of Winter Term—
Monday, January 6, 1941.
End of Winter Term—
Friday, March 14, 1941.
Opening of Spring Term—
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In the United States Court for China

WILLIAM BENJAMIN GANCI, *Plaintiff,* vs. RUTH IRENE WATKINS GANCI, *Defendant.*	Cause No. 4487 Civil No. 2366 ORDER Filed at Shanghai, China, May 21st, 1940 WILLIAM T. COLLINS *Clerk.*

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by his attorneys, Messrs. Rodger & Wiener, has this 21st day of May, 1940, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 21st day of May, 1940, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court;" and

WHEREAS, it appears from the files in this case that on the 21st day of May, 1940, the plaintiff herein filed an Affidavit to the effect that the defendant does not reside in China, nor has she resided in China for the past five years, and that defendant's last known address was 262 South Poplar Street, Hazleton, Pennsylvania, United States of America.

NOW, THEREFORE, it is this 21st day of May, 1940, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the China Weekly Review, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 8th day of June, 1940, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court,

MILTON J. HELMICK
Judge.

for the next twenty years a parish priest, a curate "tainted with socialism." Experience as employee and employer, life amidst poverty and wealth taught him the fineness of character at each extreme, the "moral havoc" wrought in both by the modern industrial order. From these foundations may be explained the convictions of Dean Johnson.

Since the author has declared his intention to present only the favorable side of Soviet life, the reader cannot cavil at the absence of the other views. But the reader is justified in asking that correct emphasis be given to facts. The period of the New Economic Policy has been quite omitted in leading up to the Five Year Plans. One asks whether there is fact in the author's statement that Trotsky fought The Five Year Plan "tooth and nail." Another reason for the dispute between Trotsky and Stalin must be found.

Of particular interest is the section on the equality of the races within the Union and the development of the races in Asiatic Russia. Dean Johnson's own work with English young people makes especially interesting his discussion of the creative plans for young people in the U.S.S.R. The Epilogue deals with the subject of the Soviet's twenty-two year struggle for peace. Could the author have written in the same way after this war with Finland?

F.M.R.

The Y.M.C.A. in China

Reconstruction in the midst of war is the subject of a 34-page pictorial survey of Y.M.C.A. work in free China published in Shanghai on May 23. The title of the brochure is *The Y in China's Struggle.* To judge from the mass of interesting photographs presented, this Christian organization has reached all the way from the populous China coastal ports to far in the interior with its projects for educating the youth of the nation.

An outstanding feature of the publication is the excellence of the amateur photographs which embellish it.Each page is devoted to a well-arranged group depicting special activities such as student education, health training, first-aid training and religious teaching.

Japanese Attack W.C.B. Engineers

Three Chinese engineers connected with the Whangpoo Conservancy Board, which has charge of dredging operations in the Whangpoo River, were seriously injured in a fight with Japanese and had to be taken to the Shanghai Sanitarium for treatment, according to report in the Chinese papers. The fight occurred near the campus of Shanghai University, located on the Whangpoo north of the Settlement border in Yangtszepoo. One of the Chinese suffered a serious laceration of the scalp and aside from injuries suffered by the other two, several other Chinese who attempted to rescue the engineers, were also badly beaten. The cause of the attack on the Chinese engineers could not be ascertained.

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In the United States Court for China

LEROY ALBERT LANKFORD, Plaintiff, vs. ROSALIE PANGELINAN LANKFORD, Defendant.	Cause No. 4488 Civil No. 2367 ORDER Filed at Shanghai, China May 29, 1940. WILLIAM T. COLLINS Clerk

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by his attorneys, Messrs. Rodger & Wiener, has this 29th day of May, 1940, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 29th day of May, 1940, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 29th day of May, 1940, the plaintiff herein filed an Affidavit to the effect that the defendant does not reside in China, nor has she resided during the past year, and that defendant's last known address was c/o General Delivery, Honolulu, Territory of Hawaii;

NOW, THEREFORE, it is this 29th day of May, 1940, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the China Weekly Review, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 15th day of June, 1940, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court,

MILTON J. HELMICK
Judge.

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